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Automotive News

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57th year—$40 per year, $1.00 per copy

And now, for something different . . .

$6,750-a-foot limousine from Baroque

This Baroque limousine is 20 feet long and costs $135,000. And it's not the biggest Baroque; there is a stretched limo that is longer yet. Built by Knudsen Automotive, Omaha, it uses Cadillac running gear and features such equipment as pushbutton bar and video tape recorder.

Luxury for the urban cowboy

The F. W. Stagecoach is suitable for those who want a vehicle with a Western flair that stands out from the rest. It uses running gear of an International Scout four-wheel-drive unit and is built by F. W. & Associates, Tempe, Ariz. It costs $35,000.

Three-wheeled TurboPhantom

Phantom Vehicle Co., Newport Beach, Calif., claims 50 MPG and 130 MPH for its TurboPhantom three-wheel luxury sports car, built on a custom order basis as a completed vehicle. It is powered by turbocharged versions of the Honda GL 100 or six-cylinder Kawasaki 1300 engine. Body and frame is sandwiched foam and fiberglass-reinforced plastic. Prices range from $19,000 to $25,000.

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Local content is gaining over Reagan opposition

By Helen Kahn
Washington Bureau Chief

WASHINGTON.—Despite opposition from the Reagan Administration, the UAW is setting the stage for an automobile local-content law: It has managed to pick up support from 217 representatives — more than half the House.

If the bill makes its way to the House floor, it would be almost impossible to defeat.

The latest twist is that the two largest consumer organizations—Consumers Federation of America and National Consumers League—have also endorsed it. The bill seems almost unbeatable this election year because of high unemployment, the union-circulated petitions and its claims that passage could save 800,000 jobs in auto and related industries and bring "fairness" in trade with Japan.

But a new study commissioned by the American International Auto Dealers Assn. and done by the Boston-based firm, Harbridge House, says the UAW bill would mean a surcharge of $3,200 for every buyer of a Japanese car and it would raise domestic small car prices as well.

This figure is a combination of the $1,900 estimated to be added by the "voluntary" quotas put in place in April, 1981, and the local-content requirements in the union bill as introduced by Rep. Richard Ottinger, New York Democrat, in the House and Senator Wendell Ford, Kentucky Democrat, and 17 other senators in the Senate.

Ottinger, a liberal, defended the bill despite charges of its inflationary aspects. He said it would enable consumers to "support and invest in the American economy, regardless of the car they choose to purchase."

He added it is needed to "counteract the incredible transfer of auto manufacturing jobs abroad."

Although consumer groups are usually free-traders, they are also often heavily dependent on union members for financial support.

The bill would apply to all car companies with annual sales of cars and trucks in the U. S. exceeding 100,000 units. Makers would have three years to bring their average local content up to the allowable level. This could be done by either buying U. S.- or Canadian-made components and adding them here or abroad, or by manufacturing here, since labor as well as parts would be counted as part of the wholesale price.

For the relatively low-volume sellers, minimum local content

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breaking news

Alliance prices range from $5,595 to $7,470

SOUTHFIELD, Mich. — American Motors has placed a sticker price of $5,595 on the base Renault Alliance two-door sedan. The front-wheel-drive Alliance line goes on sale in September. Other prices are: Alliance L—2-door sedan, $6,020; 4-door sedan, $6,270. Alliance DL—2-door sedan, $6,655; 4-door sedan, $6,905. Alliance Limited—4-door sedan, $7,470. The 49-state EPA fuel-economy ratings for Alliance are 37 MPG estimated and 52 MPG highway with 4-speed transmission, 35/51 with 5-speed and 31/39 with automatic. AMC estimates first-year production of 100,000.

Public Affairs Chief Larsen to leave Chrysler

DETROIT.—Wendell Larsen, group vice-president—public affairs, Chrysler Corp., will leave the auto maker to become senior vice-president—corporate affairs of IC Industries, Chicago. He will also be a member of the company's policy committee.

Avanti sale is in the works

SOUTH BEND.—AMW, Inc., a holding company which buys auto-related businesses, is negotiating the purchase of

Continued on Page 8, Col. 1

Protectionist acts self-defeating, new Toyota president warns U. S.

By John Hartley
Staff Correspondent

TOKYO.—"The local content legislation now being debated in the U. S. could not only restrict competition and run contrary to the best interests of American consumers but in the long run could be disadvantageous to the U. S. economy," said Shoichiro Toyoda, new president of Toyota Motor Corp.

Toyoda admitted that he had no idea of the chances of the bill getting through, but said:

"It would stand in the way of competition; it would be unfortunate. More thinking should be placed on giving the economy more vitality. I would ask the people in Congress involved to take this into account."

Basically, Toyoda stands by the views of previous Toyota executives when asked about affairs in the U. S. — that protectionism hurts the industry it is intended to help by fostering inefficiencies and allowing prices to rise.

Over the years, of course, many laws have failed to achieve their intended purpose. Perhaps one of the most recent examples is the "gentlemen's agreement" over limiting the imports of Japanese cars into Britain to about 11 percent of total sales.

The main result of this agreement has not been to increase sales of British cars, but to increase imports from Common Market countries, many imported by companies that do manufacture in Britain.

• Speaking at the Foreign Correspondents' Club in Tokyo, Toyoda had little to say about exports to the U. S. or Europe. He did not attack the "self-restraint" quotas imposed by the Japanese government, nor did he mention the situation in Canada, where Japanese cars are allegedly being held up at the docks.

Recently, of course, there has been a lot of speculation on the proposed joint venture between Toyota and GM.

"I want to see our talks with General Motors succeed," said Toyoda, "and provide American customers with small cars of high quality and good fuel efficiency. We are looking at ways both companies can benefit from the relationship."

GM is keen to use one of its idle factories to build the forthcoming front-wheel-drive Corolla, and recently GM chairman Roger Smith was quoted as saying that because Toyota had spent a lot of money on the project it must be serious.

But Toyota has spent a lot of time over the years considering manufacture in the U. S. It commissioned three feasibility studies from specialist consultants in the U. S. and Japan. These were completed over a year ago. Yet Toyota has never admitted that it has finished studying these reports.

"The surveys almost never

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The long and short of it

Seville is stretched, shortened

Sevilles come in all sizes from American Custom Coachworks, Ltd., Beverly Hills, Calif. At top is the company's Cadillac Seville Extended Body Limousine, a four-foot-stretch limo that includes standard rear-facing club seats, color TV, intercom system, ice storage compartment and electric chauffeur divider window. The Seville "Paris Roadster" Convertible, a two-seater, is a Seville that's shortened 16 inches. Wheelbase is 98 inches. Power top with full headliner is standard.

Insurers say agency flouts court order and blocks passive-restraint standard

NHTSA accused of stalling tactics

By Helen Kahn
Washington Bureau Chief

WASHINGTON. — In the latest go-round in the passive restraint litigation, State Farm Mutual and the National Assn. of Independent Insurers accuse NHTSA of flouting the court's order for a schedule and further delaying the standard that has already been 12 years in the making.

Both say NHTSA's response with a proposed supplemental rulemaking to consider only non-detachable passive belts or air bags is precisely the "recalcitrance" that Judge Abner Mikva criticized June 1, when he overturned rescission of standard 208 which NHTSA head Raymond A. Peck announced last October.

Both successful plaintiffs also accuse Peck of acting as though he won the suit instead of lost it.

Predictably, both the domestic industry and the import companies also protest the shortness of response time and, predictably, consumer and physicians' groups join the insurers in protesting what they view as unnecessary delay.

By the end of July, NHTSA must again answer the new charges of failing to fulfill the court's order and thereafter the court will decide whether the agency's response is satisfactory.

Meanwhile, the Justice Department has asked for extra time — 30 days after the court's ruling — to decide whether to appeal to the full nine-judge panel or to the U. S. Supreme Court.

• The federal appellate court for the District of Columbia, in overruling NHTSA's wipe-out of the passive restraint standard, faulted Peck's decision as a "paradigm of arbitrary and capricious" action. It ordered NHTSA to come up with answers within 30 days to questions raised by the court and to produce a "schedule for implementing the standard."

NHTSA's response, defending its decision to rescind, was to propose supplemental rulemaking, asking within 30 days responses to predicted use of detachable automatic belts and alternatives such as mandating non-detachable belts and air bags only.

Then, NHTSA said, it would try to respond within 45 days but might decide more fact finding is needed.

State Farm says NHTSA's proposal is not a schedule at all, since it sets no time limit. Instead, NHTSA suggests a "blueprint for a leisurely, open-ended new rulemaking proceeding while the rule is in a state of suspensed animation."

State Farm says that unless NHTSA comes up with a judicially acceptable rationale for rescission, the auto makers should be put on notice that the standard will go into effect for '84 models.

• In State Farm's view, NHTSA is seeking the kind of 95 percent confidence of accuracy that is needed for a new drug, but one that would only mire the agency in statistical argument for bolts and bags.

State Farm wants the court to order NHTSA to address three questions only: Does the record

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Product liability law gets Reagan's blessing

By Helen Kahn
Washington Bureau Chief

WASHINGTON. — Federal product liability law that would preempt an area of regulation now belonging to the states has received endorsement from the Reagan Administration which is philosophically in favor of states' rights.

Commerce Secretary Malcolm Baldridge won over President Reagan by arguing that businessmen want and urgently need uniformity instead of the wide differences that have resulted from court decisions and the failure of states to agree among themselves.

While no specific bill was blessed, the leading contender is the Senate measure crafted after several drafts and hearings by Senator Robert Kasten Jr., Wisconsin Republican. It has the backing of the Business Roundtable and the National Assn. of Manufacturers and both the domestic and import auto industries.

The car companies would like to see even more protection offered than would exist in the Kasten bill; they favor using the minimum federal standards as a pressumption of safety—a position rarely accepted by courts and not even by NHTSA in its defect investigations.

But despite strong opposition by some consumer groups and trial lawyers, the Senate bill—representing many compromises—has almost universal business backing. Conceivably, markup could occur next month and Senate passage appears possible.

• What apparently turned the Administration's position around was the broad-based business support. Apparently persuasive were arguments that product liability is a national and even an international problem and that a federal law would help products move across state lines and compete more effectively abroad.

Moreover, the Administration was told that without more certainty of the risks of litigation, less money would be spent to improve products.

The House has not yet drafted a bill, much less held hearings. If it does draft a bill, it is likely to be more consumer-oriented than the Senate version. The House committee that would consider the bill now is backed up with the Clean Air Act, local content legislation and other matters on its agenda.

In addition, a plain political fact of life may militate against any House action this year: Any federal product liability measure is controversial, and no member needs a powerful and rich bunch of local trial attorneys lobbying against him in an election year.

In short, the next Congress may look like a better bet to pass product liability legislation, although passage by the Senate this time around would further its chances.

Buick champs

Woody Wiegandt, left, a salaried employe in Buick's torque converter plant, and Ken Ward, an hourly employe in Buick's gear and axle plant, earned berths in the Buick Pro-Am golf tournament Aug. 18 in Grand Blanc, Mich., as winners of the division's first annual Buick Employe Classic. Wiegandt, who shot a three-over-par 75, and Ward, who scored a 79, topped a field of 88 golfers in the finals. The original field numbered 1,200.

Fraser concedes parity is unlikely, but vows gains for union

Chrysler-UAW contract talks open

By Marjorie Sorge
Labor Editor

Workers at Chrysler Corp. will not get parity with workers at Ford and General Motors in one fell swoop, UAW President Douglas A. Fraser said as contract talks began in Detroit last week.

"Now it is time for the Chrysler workers to begin that long, long road back to parity with the Ford and GM workers," Fraser said.

But, at the same time, he said the union has no intention of making any further concessions to the company.

"I'm exuberant about these negotiations", Fraser said. "When we walk away from here, I know we will have made some gains for the Chrysler workers."

Chrysler was teetering on the brink of bankruptcy when talks were held in 1979. In three rounds of bargaining in 1979, 1980 and 1981, the hourly workers made concessions worth more than $1 billion to allow the company to qualify for federal loan guarantees. The current contract, covering 84,000 hourly and 6,400 salaried workers, expires Sept. 14.

Prior to the first actual bargaining session last week, Chrysler's top executives made a two-hour "State of the Company" presentation to the UAW negotiators. It covered everything from finance to new products.

Making the presentation were Chairman Lee Iacocca, Vice Chairman Gerald Greenwald and Harold K. Sperlich, president of North American Automotive Operations.

In this round of bargaining, the UAW wants:

1. To reinstate cost-of-living-adjustments (COLA) and the annual improvement factor (AIF).

2. To obtain job security.

3. A moratorium on plant closings.

4. Pilot lifetime employment programs at some Chrysler plants.

5. A guaranteed income stream (GIS) for high-seniority workers.

6. Four seats on the Chrysler board of directors—three in addition to the one Fraser now holds. Fraser has said he will resign that seat when he retires from the UAW next May, but Iacocca said he will try to persuade Fraser to stay.

Chrysler wants:

1. To cut the costs of health care and pensions.

2. Changes in some work practices.

3. Reductions in absenteeism.

• It has been estimated that the labor costs at Chrysler currently run about $3.50 an hour behind those at GM and Ford. But at a press conference announcing the company's $107 million profit for the second quarter, Iacocca said the gap is much less.

He said the high cost of pensions has raised the labor cost from $17.50 an hour when the current contact was negotiated to $19.63, about $1.40 away from GM's labor cost. He said the pensions are so costly because "we have one guy on pension for every guy working."

But in wages, an assembler at Chrysler makes $9.07 an hour compared with $11.67 at Ford and $11.76 at GM. Currently, Chrysler trails GM and Ford by more than $2 an hour in COLA alone. According to Fraser, in the last quarter that amounted to about $1,100 per worker.

The UAW wants to reinstate the COLA benefit, and Iacocca said the company "will try and work out some sensible COLA arrangement."

UAW Vice President Marc Stepp, director of the Chrysler Department, told Automotive News in April that the COLA formula might differ from the Ford and GM agreements. In those pacts, workers get one cent

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But May total trails last year's

Registrations continue month-to-month climb

By Jenny L. King
Staff Writer

The new-car registration total continued its climb in May, up 5 percent over the April figure and the fifth consecutive month of growth this year. But the May total was lower than its year-ago counterpart, according to figures compiled by R. L. Polk & Co.

The May registration total was 707,869, up 5.30 percent over 672,253 reported in April and down 3.17 percent from 731,059 in May of 1981. It was the lowest May since 1975 when 656,803 new cars were registered in the U. S.

The domestic-car figure was 518,746, up 6.74 percent from 485,992 in April and 2.17 percent ahead of the 507,470 registered a year earlier in May.

Imports were down 15.41 percent from May to May, to 189,123 from 223,589, and their share of the total market dropped to 26.72 percent from 30.58 percent.

Total new-car registrations for the first five months were down 15.99 percent, to 3,060,751 from 3,643,403 last year. The domestics dived 15.61 percent, to 2,187,094 from 2,591,740, while imports plunged 16.93 percent, to 873,657 from 1,051,663.

Imports' share of the five-month market dipped only slightly, though, to 28.54 percent from 28.86 percent.

• In May, General Motors was the only major domestic auto maker to increase its share of the market compared with 1981. GM climbed to 47.33 percent from 42.18 percent, its gain the byproduct of a lowered interest-rate program for customers which ran through the end of the month.

Ford Motor Co. slipped to 16.46 percent from 16.78 percent last year; Chrysler Corp. had 8.33 percent, down from 8.48 percent; AMC stood at 1.10 percent, down from 1.96 percent, and miscellaneous domestics climbed 0.06 percent, up from 0.02 percent.

Imports plunged to 26.72 percent of the month's market this year from 30.58 percent in 1981.

In the domestic-only market, GM cornered 64.59 percent, Ford had 22.46 percent, Chrysler had 11.37 percent, AMC had 1.50 percent and miscellaneous domestics had 0.08 percent.

A year earlier, the domestic-only breakdown was: GM, 60.75 percent; Ford, 24.17 percent; Chrysler, 12.22 percent; AMC, 2.83 percent, and miscellaneous domestics, 0.03 percent.

• For the first five months of 1982, it was three up and three down in shares of the total market. GM was up to 44.69 percent from 43.62 percent in 1981; Ford edged to 16.77 percent from 16.73 percent and miscellaneous domestics pinched off 0.04 percent, up from 0.03 percent.

Imports slipped to 28.54 percent of the five months market from 28.86 percent, Chrysler was down to 8.70 percent from 9.04 percent and AMC dropped to 1.26 percent from 1.72 percent.

In the domestic-only market through May, GM had 62.54 percent, Ford stood at 23.47 percent, Chrysler had 12.18 percent, AMC had 1.76 percent and miscellaneous domestics had 0.05 percent.

Comparable shares in 1981 were as follows: GM at 61.32 percent, Ford at 23.52 percent, Chrysler at 12.71 percent, AMC at 2.41 percent and miscellaneous at 0.04 percent.

New imported cars continued to account for the largest single portion of the market-class analysis in May, though they were down nearly four percentage points, to 26.72 percent from 30.58 percent last year.

U. S. intermediates were second, at 23.18 percent, up from 20.19 percent. Compacts had 18.10 percent, down from 19.79 percent; subcompacts landed at 14.44 percent, and luxury models gained a percentage point, going to 5.82 percent from 4.84 percent.

The domestics-only breakdown this May was as follows: Intermediates at 31.63 percent, compacts at 24.70 percent, subcompacts at 19.71 percent, standards at 16.02 percent and luxury models at 7.94 percent.

A year ago, in May, intermediates had 29.09 percent, compacts had 28.51 percent, subcompacts had 20.87 percent, standards had 14.57 percent and luxuries had 6.69 percent.

NEW-CAR MARKET SHARES IN U. S.

	MAY					FIVE MONTHS				
	Regis. May, 1982	Percent Share of Market	Regis. May, 1981	Percent Share of Market	Pct. Pt. Change '82 vs. '81	Regis. 5 mos., 1982	Percent Share of Market	Regis. 5 mos., 1981	Percent Share of Market	Pct. Pt. Change '82 vs. '81
Chevrolet	120,636	17.04	110,333	15.10	+ 1.94	506,193	16.54	631,124	17.32	− 0.78
Ford	79,706	11.26	88,975	11.90	− 0.64	354,539	11.58	438,379	12.03	− 0.45
Oldsmobile	77,101	10.89	76,499	10.47	+ 0.42	305,248	9.97	349,488	9.59	+ 0.38
Buick	68,936	9.74	61,131	8.36	+ 1.38	274,571	8.97	301,533	8.28	+ 0.69
Pontiac	45,735	6.46	42,026	5.75	+ 0.71	189,338	6.19	220,868	6.06	+ 0.13
Mercury	28,693	4.05	29,842	4.08	− 0.03	127,212	4.16	144,548	3.97	+ 0.19
Dodge	22,845	3.20	18,303	2.50	+ 0.70	92,412	3.02	86,146	2.37	+ 0.65
Plymouth	22,137	3.13	28,441	3.89	− 0.76	103,385	3.38	148,324	4.07	− 0.69
Cadillac	21,632	3.05	25,966	3.55	− 0.50	101,844	3.33	136,403	3.72	− 0.39
Chrysler	15,191	2.15	7,617	1.04	+ 1.11	61,053	1.99	45,635	1.25	+ 0.74
AMC	8,121	1.15	5,859	0.80	+ 0.35	31,600	1.03	26,642	0.73	+ 0.30
Lincoln	7,802	1.10	14,353	1.96	− 0.86	38,577	1.26	62,618	1.72	− 0.46
GENERAL MOTORS	335,055	47.33	308,292	42.18	+ 5.15	1,367,762	44.69	1,589,159	43.62	+ 1.07
FORD MOTOR CO.	116,520	16.46	122,676	16.78	− 0.32	513,351	16.77	609,569	16.73	+ 0.04
CHRYSLER CORP.	58,960	8.33	62,026	8.48	− 0.15	266,262	8.70	329,362	9.04	− 0.34
AMERICAN MOTORS	7,802	1.10	14,353	1.96	− 0.86	38,577	1.26	62,618	1.72	− 0.46
IMPORTS	189,123	26.72	223,589	30.58	− 3.86	873,657	28.54	1,051,159	43.62	+ 1.07
MISCELLANEOUS	409	0.06	123	0.02	+ 0.04	1,142	0.04	1,032	0.03	+ 0.01
TOTAL	707,869		731,059			3,060,751		3,643,403		

Automotive News analysis of new-car registrations based on R. L. Polk & Co. statistical report.
Registrations for Delaware temporarily delayed; not available for Oklahoma.

23 auto experts to judge Meadow Brook Concours

ROCHESTER, Mich.—A panel of 23 expert judges has been selected for this year's Meadow Brook Concoure D'Elegance. The event will be held Aug. 15 at Meadow Brook Hall on the campus of Oakland University here.

About 120 rare autos are entered.

Trophies will be awarded to about 20 percent of the cars in each of 11 classes or groups. Three "circles" of cars have been added this year — period Rolls-Royces, pre-World War II sports cars and postwar sports cars.

Concours rules specify that cars must enter and leave the field under their own power and climb the presentation ramp unassisted.

Richard A. Teague, vice president of automobile styling for American Motors, is chairman of this year's Concours D'Elegance, and W. Paul Tippett, AMC chairman, is honorary chairman. Teague is also one of the judges.

Other judges are: Zora Arkus-Duntov, noted Corvette engineer; Scott Bailey, publisher, Automobile Quarterly; Ben Bowden, automobile designer, London Custom Coach Builders, 1926-1939; Connie Bouchard, retired executive engineer of advanced engineering, Ford Motor Co., and Gordon Buehrig, designer of the Auburn, Cord and Duesenberg.

Also: Keith E. Crain, publisher and editorial director of Automotive News and publisher of AutoWeek; Alexander A. Cunningham, vice president and group executive, General Motors; Dale Dawkins, product group vice president, American Motors; Don DeLaRossa, product design vice president, Chrysler Corp., and Alfred J. Fisher III, president, General Safety Corp.

Also: Edsel B. Ford II, marketing product plans manager, Ford Division; Richard Hinson, associate publisher, AutoWeek; Lowell James, public relations consultant; Charles M. Jordan, director of design, General Motors, and Paul J. King, engineering director, Chevrolet.

Also: Donald F. Kopka, design vice president, Ford Motor; Alan Loofbourrow, retired engineering vice president, Chrysler Corp.; Alex C. Mair, vice president and group executive, General Motors, and Bill Maypole, styling director, Volkswagen of America.

Also: Heinz Prechter, chairman, American Sunroof Corp.; Jack Telnak, chief design executive, North American design, Ford Motor, and Robert Zokas, director of luxury and mid-size car design, Ford Motor.

Concours chairman

Richard A. Teague, American Motors styling vice president, is chairman of this year's Meadow Brook Concours D'Elegance, which will be held Aug. 15 at Meadow Brook Hall, Rochester, Mich. Teague also is one of the 23 Concours judges.

McDonald promises modern equipment for product quality

Robots galore for GM Detroit plant

HAMTRAMCK, Mich. — General Motors' new Detroit/Hamtramck assembly plant will feature some of the most modern equipment in the world to help the company meet its quality and productivity goals, F. James McDonald, GM president, told the Hamtramck Rotary Club.

The plant is scheduled to open in 1985. GM hasn't said what will be built there, but industry sources report it will be Cadillac Eldorado and Seville, Oldsmobile Toronado and Buick Riviera.

The plant has been a source of controversy because preparation of the site resulted in the razing of homes, businesses and churches in a neighborhood known as Poletown.

"Product quality is the number-one operating priority at General Motors today," said McDonald. "That's why we're giving so much attention to our new production facilities," McDonald said.

"The systems going into the GM assembly plant here are going to be outstanding.

"That includes a Robogate framing system to improve precision in body build. And more than a hundred robots along the assembly line."

Some of the robots will be used with laser probes to verify the accuracy of door and window openings and to check the dimensions of every car going down the line, he said, and there will be a robotized paint system to "ensure quality and improve efficiency of this crucial operation."

McDonald continued, "Throughout this plant we will install statistical monitoring systems which will chart the quality of the products we are building. These electronic watchdogs will determine quickly and automatically that each operation is well within design limits.

"Systems of this kind are powerful weapons in the battle for better quality. They're already being used at many GM plants and they will be expanded to every GM unit . . . both in component plants and in assembly operations."

To create the environment in which employes will be able to work most effectively, McDonald said the plant will undertake major employe training.

"The highly technical equipment and methods we will use here can pay dividends only if they are used wisely," he said. "As we have done at other new GM installations, we will go back to the basics on such things as electricity, hydraulics and control systems.

"Beyond technology, we plan to work with employes to build a people-centered organization —an organization with a specific philosophy about the power of teamwork and employe involvement."

Such training and employe attitudes also are vital to quality. And in today's competitive race, McDonald said, "productivity and quality are critical determinants of who will thrive and who will fall by the wayside."

Earlier in his remarks, McDonald emphasized that the new plant project is "alive and well" and that construction is proceeding "pretty much according to schedule."

"Our goal is to get the site under roof and weather-proofed by this winter so we can go ahead with interior work," he said, adding that GM expects to meet that target if the current construction workers' strike is settled in the near future.

So far, said McDonald, for the assembly plant itself, the deep underground sewers are all in and about half the upper-level sewer work is finished. Virtually all the caissons are in place, and about 25 percent of the structural steel is up.

At the power house, the boilers are now being placed into the framework. Two-thirds of the powerhouse steel is up and construction has been started on the smokestack.

The Detroit / Hamtramck facility is one of three assembly plants GM is building in the U. S. The others are in Orion Township, Mich., and at Wentzville, Mo.

Chrysler honors Armory Garage

ALBANY. — Chrysler Corp. has honored Armory Garage for 50 years as a Chrysler dealership.

Anthony Metzner founded the dealership 64 years ago and has been a Chrysler Corp. dealer since 1931. The firm handles Chrysler, Plymouth and Imperial and also has a Peugeot franchise.

Anthony Metzner now is chairman of the board and is still active in the company. His sons, Robert and Stanley, and James A. Clark Jr. joined the dealership after World War II and now are managing the business.

Unless Western makers can rebuild their profits

Automotive shift to East envisioned

By Marjorie Farge
Labor Editor

There could be a shift in the automotive economic market to the East unless the Western manufacturers can improve their cash flow, according to Maryann Keller, vice president and auto analyst, Paine Webber Mitchell Hutchins, Inc.

She said the Japanese are already dominating the Asia-Pacific basin which has the greatest potential for long-term growth in the auto industry.

In addition, the Japanese are increasing their penetration into the U. S. and European markets, she said. Keller warned that the only way to change the tide is for the Western companies to increase their profits to finance the more sophisticated products of the future.

"If Western auto makers cannot improve their operating efficiencies, continued erosion of their share of auto production can be expected," she said.

"This fact is made even more significant by the fact that product development costs are soaring and the introduction of high technology to the automobile will intensify competition still further, making it easier for wealthier companies to invest in these areas."

In the U. S., the auto makers have already delayed new model and plant modernization plans because of lack of capital.

However, while the Western companies are struggling with their profitability, the Japanese have maintained a good cash flow, Keller said. This could cause a shift in automotive economic power to the East.

• While many have indicated that new automotive powers will develop in the Third World nations such as Korea and Taiwan, Keller said the emerging nations will find it difficult to create multinational, competitive companies in the 1980s because of the cash crunch and the need for sophisticated, high-tech equipment to produce the cars of the future.

"The Japanese experience is unique and not likely to be repeated by the emerging autobuilding nations no matter how tightly they protect their markets," she said. "Few nations have a local market of sufficient size to enable local manufacturers to cover their fixed costs."

In other nations where the American or European companies dominate local production, it is local market development, not exportation, that has been the major objective, she said.

Some of these nations may see their component and completed-vehicle export market increase as manufacturers comply with growing local content legislation. But, Keller said, major export drives from these nations are not likely.

"It must be remembered that multinational entities plan their investments to the best advantage of the corporation, not necessarily the export ambitions of the host country," she said. "Those nations which are trying to develop an export base without investment by multinationals, will find that the rising level of sophistication of future automobiles will preclude their successful participation in these markets."

Instead, many nations will turn to producing and selling component parts for the automotive sector. Keller said she expects to see more links between the U. S. and Europe; the U. S. and Japan, and Europe and Japan geared toward component sourcing.

• Already there are agreements between American Motors and Renault, Chrysler and Mitsubishi, Chrysler and Peugeot, Ford and Toyo Kogyo, General Motors and Isuzu, General Motors and Suzuki, Nissan and BL, Nissan and Alfa Romeo, Toyota and Volkswagen, BL and Honda, Saab and Lancia, and others.

In addition, GM is currently negotiating with Toyota to build in the U. S., a subcompact car designed by Toyota and distributed and built by GM.

Keller said the proposal would "provide GM with a new model that it desperately needs to replace the aging Chevette and simultaneously utilize one or more of GM's idle facilities."

Most sources believe that GM would reopen the Fremont plant in California for the project.

Keller also indicated:

1. The future of Taiwan and Korea as a competitive auto market is limited because it is too small to make up the cost of production. Also, the technology used is so sophisticated that the component manufacturers don't have the capability. And a highly sophisticated car won't sell in that market.

2. Brazil must shed its economic problems if it is to expand its automotive market. It is currently dependent on the U. S. export base, providing transmissions, engines and, in some cases, whole cars.

3. There will be no alternatives to the internal combustion engine before the year 2000.

VW-BMW dealer Brock forming Phoenix bank

SCOTTSDALE, Ariz. — Linda Brock, president of Linda Volkswagen-BMW here is one of the organizers of Commercial State Bank which is expected to open later this year in Phoenix.

The new bank will specialize in low-interest loans to small and medium-sized businesses and their executives.

AUTOMOTIVE NEWS ANALYSIS OF NEW-CAR REGISTRATIONS

Based on R. L. Polk & Co. Statistical Report
MAY '82 VS. MAY '81

	1982 May	1982 Year	1981 May	1981 Year
AMC Spirit	1,955	9,149	3,872	17,741
Concord	2,256	9,574	4,483	18,864
Concord SW	756	3,965	1,602	6,798
Eagle 4WD	539	2,679	672	3,299
Eagle 4WD SW	1,332	7,664	1,636	7,197
Eagle SX4 4WD	964	5,546	2,088	8,719
TOTAL AMC	7,802	38,577	14,353	62,618
Chrysler LeBaron '81			3,285	18,736
LeBaron '81 SW			582	3,625
LeBaron FWD	7,422	31,764		
LeBaron SW FWD	792	1,826		
Cordoba	1,207	6,055	2,076	13,361
Newport			476	3,243
New Yorker '81			626	4,224
New Yorker	5,477	20,084		
Imperial	293	1,304	572	2,446
Total	15,191	61,053	7,617	45,635
Plymouth Horizon FWD	6,827	35,797	12,015	63,176
Reliant FWD	9,103	43,082	10,598	58,172
Reliant SW FWD	4,240	17,626	4,637	21,960
Gran Fury '81			1,191	5,016
Gran Fury	1,967	6,860		
Total	22,137	103,365	28,441	148,324
Dodge Omni FWD	6,295	33,479	10,087	47,820
Aries FWD	6,678	31,805	8,314	45,911
Aries SW FWD	3,342	14,255	3,414	17,410
Dodge 400 FWD	2,153	9,651		
Diplomat	2,571	9,563	2,049	11,389
Diplomat SW	7	57	233	1,913
Mirada	586	3,034	1,262	7,552
St. Regis			609	3,408
Total	21,632	101,844	25,968	135,403
Total Chrysler Corp.	58,960	266,262	62,026	329,362
Ford Escort FWD	21,691	100,190	15,932	76,956
Escort SW FWD	6,966	32,578	11,106	53,383
EXP FWD	3,550	17,961	5,960	8,280
Pinto			659	8,112
Pinto SW			174	2,447
Fairmont	11,261	50,551	11,493	66,816
Fairmont SW	99	1,869	4,983	23,498
Granada	6,229	30,703	8,315	45,175
Granada SW	3,951	15,037		
LTD	5,421	18,806	4,379	21,871
LTD Crn. Victoria	4,271	16,137	3,332	15,309
Ford SW	1,943	7,551	2,004	8,105
Mustang	10,140	46,106	13,426	74,910
Thunderbird	4,184	17,050	5,192	33,519
Total	79,706	354,539	86,975	438,379
Lincoln Town Car	3,840	12,132	2,890	12,623
Mark VI	2,738	9,535	2,969	14,019
Continental	1,543	9,933		
Total	8,121	31,600	5,859	26,642
Mercury Lynx FWD	6,487	30,645	5,988	26,494
Lynx SW FWD	1,702	8,493	3,568	15,700
LN7 FWD	1,324	6,595	1,703	2,359
Bobcat			140	1,910
Bobcat SW			30	436
Zephyr	3,450	15,678	3,667	20,875
Zephyr SW	38	742	1,105	5,779
Cougar	2,746	13,630	3,444	17,597
Cougar SW	1,789	8,205		
Marquis	979	3,330	571	2,995
Marquis Brougham	1,717	6,900	905	4,658
Grand Marquis	3,393	12,649	1,738	8,760
Marquis SW	1,033	3,650	558	2,950
XR7	1,425	6,222	2,020	12,542
Capri	2,610	12,273	4,405	21,493
Total	28,693	127,212	29,842	144,548
Linc. Merc. Div. Total	36,814	158,812	35,701	171,190
TOTAL FORD MOTOR CO.	116,520	513,351	122,676	609,569

	1982 May	1982 Year	1981 May	1981 Year
Buick Skylark FWD	12,382	66,757	16,177	86,810
Skyhawk FWD	4,024	10,425		
Century '82 FWD	8,364	31,009		
Regal/Century	21,692	83,283	27,633	138,456
Regal/Century SW	1,598	5,456	1,676	6,770
Le Sabre	3,121	11,056	1,884	8,541
Le Sabre Limited	6,212	22,316	4,025	17,609
Electra	5,622	21,652	4,635	21,260
Buick SW	1,501	5,665	967	4,342
Riviera FWD	4,422	16,952	4,134	17,745
Total	68,938	274,571	61,131	301,533
Cadillac de Ville	10,693	39,733	8,904	39,227
Cimarron FWD	958	6,011	36	36
Fleetwood & Chas.	3,721	15,573	2,972	15,384
Eldorado FWD	5,455	21,555	4,477	20,864
Seville FWD	1,818	9,540	1,914	10,635
Total	22,645	92,412	18,303	86,146
Chevrolet Chevette	20,310	99,878	26,537	175,642
Camaro	22,611	62,380	9,824	44,581
Monza			577	14,918
Cavalier FWD	7,689	39,278	198	198
Cavalier SW FWD	2,321	11,025	66	66
Citation FWD	14,906	90,610	21,695	136,950
Malibu	6,486	31,099	14,908	70,952
Malibu SW	4,435	15,366	5,832	24,328
Celebrity FWD	8,885	29,393		
Monte Carlo	10,559	41,192	11,348	70,546
Impala	5,727	21,836	5,304	24,298
Caprice	9,933	38,304	7,304	36,998
Chevrolet SW	4,417	16,560	3,564	17,844
Corvette	2,357	9,272	3,076	13,803
Total	120,636	506,193	110,333	631,124
Oldsmobile Omega FWD	6,183	33,454	9,170	46,088
Firenza FWD	2,549	7,370		
Cutlass Ciera FWD	9,717	37,057		
Cutlass Salon '81			17,211	71,488
Cutlass Sup/Calais '81			21,014	112,410
Cutlass Sup/Calais	26,024	106,647		
Cutlass SW	2,213	8,554	3,430	13,519
Delta 88	941	3,961	1,093	4,968
Delta Royale	15,586	54,253	12,191	48,051
98	8,379	33,327	7,189	31,446
Oldsmobile SW	2,163	7,793	1,806	7,162
Toronado FWD	3,346	12,832	3,395	14,356
Total	77,101	305,248	76,499	349,488
Pontiac T1000	3,908	23,404	5,486	7,865
Firebird	11,486	35,663	4,797	25,338
Sunbird			1,423	26,547
J2000 FWD	3,935	19,266	292	292
J2000 SW FWD	723	3,119	89	89
Phoenix FWD	3,755	23,741	6,469	39,783
LeMans/Bonn.	6,089	24,147	4,384	22,376
LeMans/Bonn. SW	1,559	5,804	2,243	9,171
6000 FWD	4,416	15,649		
Grand Prix	9,541	34,932	9,483	54,098
Catalina	45	403	596	3,100
Bonneville '81	134	1,523	3,360	16,125
Bonn. '81 Brougham	103	1,269	2,621	12,570
Pontiac SW	41	418	783	3,514
Total	45,735	189,338	42,026	220,868
TOTAL GM CORP.	335,055	1,367,762	308,292	1,589,159
(Checker)	379	1,022	90	865
Misc. Domestic	409	1,142	123	1,032
Domestic Station Wagon Total	46,961	201,278	56,188	258,004
Domestic Grand Total	518,746	2,187,094	507,470	2,591,740
Import Total	189,123	873,657	223,589	1,051,663
Grand Total All Registrations	707,869	3,060,751	731,059	3,643,403

Registrations for Delaware temporarily delayed; not available for Oklahoma.
Automotive News analysis of new-car registrations based on R. L. Polk & Co. statistical report. Registrations for Oklahoma not available.

Registrations in May hit 2½-year high

Registrations of new trucks of all types in the U. S. in May were the highest for any month in almost 2½ years, but light trucks were the only ones showing any improvement.

During the month, according to R. L. Polk & Co. statistics, 226,177 new trucks were registered, an increase of 14 percent over the 198,392 units tallied in the same month a year ago.

The last time that monthly new-truck registrations exceeded the May total was January, 1980, when the count hit 232,409 units. The 1980 total, however, was 17.6 percent under the record 281,967 new trucks registered in the first month of 1979.

Five-month registrations were up 10.6 percent over a year ago to 979,016 units, with light trucks showing healthy gains and the big trucks significant losses. The 1981 count through May was 885,049 units.

During the January-May period, 907,223 light trucks were registered, with increases in all three weight classifications. The total was 13.5 percent higher than last year's 799,071 units.

• Group 1 tallies through May totaled 503,176, an increase of 13.6 percent over the year-earlier 442,788. The Group 2 count was up 12.9 percent, from 350,838 in 1981 to 396,254. Group 3 rose 43.1 percent to 7,793 units, compared with 5,445 a year ago.

Five-month registrations of non-captive imported compact trucks totaled 125,867 units, a gain of 4.7 percent over the year-earlier 120,270.

The Group 1 count was 123,-

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Newmar introduces tow van

Newmar Industries, Inc., Nappanee, Ind., has introduced the London Aire tow van which it said is designed to tow almost any vehicle used in recreation, sports or business.

RV business is hot in Minneapolis-St. Paul

By Ken Berglund
Staff Correspondent

MINNEAPOLIS. — Auto sales may be down, but the recreation-vehicle business has risen dramatically in this area in recent weeks. In the Minneapolis-St. Paul market, both sales and rentals have shown a sharp upturn, according to many dealers.

"We have had one of the biggest months (June) ever in sales of rec vehicles," said Paul Iten, sales manager at Iten Chevrolet in Minneapolis. "Of course, a lot of people got out of this business a few years back, and we're probably doing well because there aren't as many dealers anymore.

"Prices of motor homes are up, of course," he added. "But people trading them in on new models today are getting back as much as they paid for their vehicle.

"For example, a 1977 Winnebago 26-foot Brave model, an average-sized motor home, had a suggested retail of $14,439 new without extras. That vehicle is worth in the neighborhood of $13,000 or $14,000 today . . . if the miles are decent and the coach has been taken care of."

Iten's RV units range from converted vans at $13,000 to luxury sport coaches sleeping up to 10 or 11 persons and costing $50,000 or more.

• At the Twin Cities area's largest RV rental outlet, C & J Mini Motor Home Rentals, business has been "real good," according to owner Cliff Peterson.

"We are booking faster than usual," he said. "Right now, I'm booked up until the last two weeks in August."

C & J rents a motor home that can sleep six for $285 a week plus 10 cents a mile. For a 1,000-mile trip, the total cost would be $385 plus gas in a 23- or 24-foot mid-sized vehicle.

The June issue of an RV publication, one dealer noted, reported a survey of its Dealer Advisory Board showing sales volume of recreational vehicles

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U. S. TRUCK REGISTRATIONS

FIVE MONTHS, 1982 VS. 1981★

	5 mos., 1982	Percent Share of '82 market	5 mos., 1981	Percent Share of '81 market	Pct. pt. Change, '82-'81
Chevrolet	321,960	32.89	274,067	30.97	+ 1.92
Ford	288,264	29.44	282,285	31.89	− 2.45
Dodge	90,525	9.25	66,369	7.50	+ 1.75
GMC	88,275	9.02	65,414	7.39	+ 1.63
Jeep	22,908	2.34	20,815	2.35	− 0.01
International	17,771	1.81	25,299	2.86	− 1.05
Mack	6,677	0.68	7,880	0.89	− 0.21
Plymouth*	4,683	0.48	7,220	0.82	− 0.34
Freightliner	3,103	0.32	4,273	0.48	− 0.16
Kenworth	3,022	0.31	3,520	0.40	− 0.99
Peterbilt	2,405	0.24	2,389	0.27	− 0.03
Mercedes	809	0.08	1,216	0.14	− 0.06
White	313	0.03	330	0.04	− 0.01
Western Star	254	0.03	529	0.06	− 0.03
Autocar	186	0.02	527	0.06	− 0.04
Volvo	1,273	0.13	1,530	0.17	− 0.04
Misc.**	126,608	12.93	121,386	13.71	− 0.78
TOTALS	979,016	100.00	885,049	100.00	.....

★—No registrations for Oklahoma, 1982 and 1981; Delaware, May, 1982.
* Plymouth trucks are Trail Duster, Voyager and Arrow.
**Miscellaneous includes Imperts, Mercedes, Crane Carrier, Oshkosh, FWD, Hendrickson, etc.

U. S. HEAVY DUTY REGISTRATIONS

FIVE MONTHS, 1982 VS. 1981★

	5 mos., 1982	Percent Share of '82 market	5 mos., 1981	Percent Share of '81 market	Pct. pt. Change, '82-'81
Ford	12,685	22.71	13,612	20.91	+ 1.80
International	11,857	21.23	16,919	25.99	− 4.76
GMC	11,103	19.88	8,692	13.35	+ 6.53
Mack	5,741	10.28	7,393	11.36	− 1.08
Chevrolet	3,290	5.89	4,397	6.75	− 0.86
Freightliner	3,103	5.55	4,273	6.56	− 1.01
Kenworth	3,022	5.41	3,520	5.41	.....
Peterbilt	2,405	4.31	2,389	3.67	+ 0.64
White	809	1.45	1,216	1.87	− 0.42
Mercedes	362	0.65	372	0.57	− 0.08
Western Star	313	0.56	330	0.51	+ 0.05
Autocar	254	0.45	529	0.81	− 0.36
Volvo	186	0.33	515	0.79	− 0.46
Misc.	728	1.30	939	1.45	− 0.15
TOTALS	55,858	100.00	65,096	100.00	.....

★—Groups 7 and 8 trucks only; no registrations for Oklahoma, 1982 and 1981; Delaware, May, 1982.

Cost cuts trim Fruehauf's loss in second quarter

DETROIT. — Fruehauf Corp. lost money again in the second quarter of fiscal 1982, but the company said cost reductions during the three-month period ended June 30 held the loss below that in the first quarter.

Net loss in the second quarter amounted to $7.2 million, compared with a loss of $10.7 million in the first three months. In the second quarter of fiscal 1981, Fruehauf had earnings of $7.6 million.

Losses in the first two quarters of the current year were the first quarterly losses in more than 23 years, the company said.

Net sales in the second quarter totaled $496 million, almost 17 percent below last year's $591 million.

For the first six months, Fruehauf had a net loss of $17.9 million, compared with net earnings of $12.7 million in the like period a year ago. First-half

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recreation on wheels

'82 total climbs to 105,900 units

Shipments of RVs up for May, five months

May shipments of recreation vehicles from manufacturers to dealers were up 7.9 percent over the same month a year ago, and the five-month total was higher by 4.2 percent.

The Recreation Vehicle Manufacturers Assn. reported that its members delivered about 23,200 units during the month, compared with 21,500 last year. Shipments were down in one of the three major RV categories.

Through May, RV manufacturers wholesaled approximately 105,900 units, compared with 101,600 in the corresponding period in 1981, and shipments were higher in all three market segments.

An RVIA spokesman said the Index of Consumer Sentiment increased two points to 67.5 during the month. "Improved readings on inflation continue to be dampened, however, by less favorable future income expectations," he added.

"Nearly half of those surveyed expect unemployment to increase during the next 12 months," the spokesman said.

"A strong favorable reading was made on interest rates, though, with a decline expected by more than two-thirds of those polled.

• Shipments of towable RVs were down for the month, but showed a small inprovement for the five-month period.

In May, the number of towable units wholesaled totaled about 9,200 units, a decline of 9.8 percent from last year's 10,200. Through May, they were up 1.7 percent, from 47,600 units in 1981 to 48,400.

Deliveries of conventional and fifth-wheel travel trailers in May dropped to 5,900 units, off 3.3 percent from the year-earlier 6,100. But they were 3.1 percent higher in the January-May period, from 29,000 a year ago to 29,900.

Folding camping trailers, the least expensive towable units and normally considered the ideal RV-entry vehicle, were down 27.8 percent during the month to 2,600 units, compared with 3,600 a year ago.

The five-month total of folding-trailer shipments was down 3 percent, from 16,500 units in the like period in 1981 to 16,000.

Truck campers were higher for both the month and the five-month period. Manufacturers shipped 700 units in May, up 40 percent over last year's 500, and 2,500 through May, an increase of 19 percent over the year-earlier 2,100.

May shipments of all motor

Continued on Page 18, Col. 4

Champion sales, pretax income up in first quarter

DRYDEN, Mich. — Champion Home Builders Co. reported increases in both sales and pretax income for its first quarter ended May 8, and attributed the results to "continuing improvement in manufactured housing operations."

Joseph J. Morris, president, said quarterly sales and revenue were 11 percent higher than a year ago, from approximately $69.5 million in 1981 to $77.3 million.

Net profit for the quarter, including a tax credit of $635,000, amounted to close to $3.4 million. A year ago, the quarterly profit was about $3.5 million, including a tax credit of $1.7 million.

The pretax income this year amounted to a little more than $4.3 million, compared with about $3.5 million in the like quarter a year ago, Morris said.

Champion's 22 manufactured-housing plants, he said, showed a pretax profit of about $5.2 million, up 35 percent over last year's $3.8 million.

"So far this fiscal year," he added, "unit sales of our manufactured homes are continuing to outpace those of our company last year, as well as those of the industry this year."

The firm's two motor-home plants showed both a decline in

Continued on Page 18, Col. 5

Titan is redesigned for 1983

Champion Home Builders, Dryden, Mich., has redesigned its line of Titan Class A motor homes for 1983. The entire vehicle is fiberglass and features an all-new sloped, fiberglass front end with built-in ground spoiler for improved aerodynamics. An automotive-style grille is flanked by quad headlamps, quartz lights and directional lights in two clusters of four.

NEW TRUCK REGISTRATIONS BY MAKE AND GVW CLASS

FIVE MONTHS, 1982 VS. 1981★

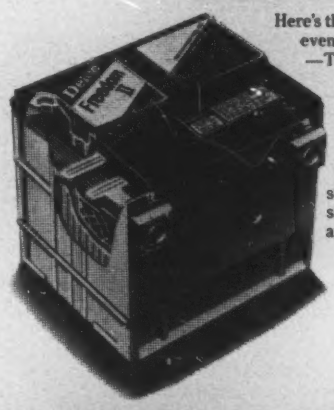
		Group 1 6,000 pounds and less	Group 2 6,000-10,000	Group 3 10,001-14,000	Group 4 14,001-16,000	Group 5 16,001-19,500	Group 6 19,501-26,000	Group 7 26,001-33,000	Group 8 33,001 and over	Make Totals
AUTOCAR	May, '82	.....	.....	.....	.....	.....	.....	.....	35	35
	May, '81	.....	.....	.....	.....	.....	.....	.....	106	106
	Year to Date '82	.....	.....	.....	.....	.....	.....	.....	254	254
	Year to Date '81	.....	.....	.....	.....	.....	.....	.....	529	529
BROCKWAY	May, '82	.....	.....	.....	.....	.....	.....	.....	.....	.....
	May, '81	.....	.....	.....	.....	.....	.....	.....	.....	.....
	Year to Date '82	.....	.....	.....	.....	.....	.....	.....	.....	.....
	Year to Date '81	.....	.....	.....	.....	.....	.....	.....	.....	.....
CHEVROLET	May, '82	37,799	30,999	1,631	.....	31	406	782	66	71,714
	May, '81	34,509	24,584	1,137	.....	88	775	981	86	62,160
	Year to Date '82	175,422	134,036	7,230	.....	175	1,807	3,013	277	321,960
	Year to Date '81	148,423	111,824	5,197	.....	385	3,841	3,950	447	274,067
(Memo Units) #	May, '82	22,408	11,061	.....	.....	.....	.....	.....	.....	33,469
	May, '81	13,744	7,596	.....	.....	.....	.....	.....	.....	21,342
	Year to Date '82	105,537	43,183	.....	.....	.....	.....	.....	.....	148,720
	Year to Date '81	59,939	32,131	.....	.....	.....	.....	.....	.....	92,070
DODGE	May, '82	12,500	7,153	1	.....	.....	.....	.....	.....	19,654
	May, '81	8,061	6,097	37	.....	.....	.....	.....	.....	14,195
	Year to Date '82	59,529	30,978	16	.....	.....	.....	.....	.....	90,525
	Year to Date '81	38,657	27,484	227	1	.....	.....	.....	.....	66,369
(Memo Units) #	May, '82	7,563	4,944	.....	.....	.....	.....	.....	.....	12,507
	May, '81	4,727	3,448	2	.....	.....	.....	.....	.....	8,177
	Year to Date '82	38,099	21,054	.....	.....	.....	.....	.....	.....	59,153
	Year to Date '81	23,899	15,493	22	.....	.....	.....	.....	.....	39,414
FORD	May, '82	25,327	43,189	.....	.....	.....	992	2,444	790	72,742
	May, '81	20,893	37,452	.....	.....	.....	1,002	2,133	720	62,200
	Year to Date '82	93,515	177,740	.....	.....	.....	4,324	9,200	3,485	288,264
	Year to Date '81	95,350	168,101	.....	.....	.....	5,222	10,190	3,422	282,285
(Memo Units) #	May, '82	15,271	16,162	.....	.....	.....	.....	.....	.....	31,433
	May, '81	7,507	12,210	.....	.....	.....	.....	.....	.....	19,717
	Year to Date '82	48,042	82,680	.....	.....	.....	.....	.....	.....	108,722
	Year to Date '81	37,123	52,701	.....	.....	.....	.....	.....	.....	89,824
FREIGHTLINER	May, '82	.....	.....	.....	.....	.....	.....	.....	659	659
	May, '81	.....	.....	.....	.....	.....	.....	.....	819	819
	Year to Date '82	.....	.....	.....	.....	.....	.....	.....	3,022	3,022
	Year to Date '81	.....	.....	.....	.....	.....	.....	.....	3,520	3,520
GMC	May, '82	8,693	9,375	160	.....	114	344	1,096	872	20,654
	May, '81	5,499	6,988	7	.....	88	439	999	1,159	15,179
	Year to Date '82	35,736	39,031	545	.....	355	1,505	7,525	3,578	88,275
	Year to Date '81	24,012	30,020	19	.....	268	2,403	4,404	4,288	65,414
(Memo Units) #	May, '82	4,344	2,826	.....	.....	.....	.....	.....	.....	7,170
	May, '81	887	2,162	.....	.....	.....	.....	.....	.....	3,049
	Year to Date '82	17,771	11,059	.....	.....	.....	.....	.....	.....	28,830
	Year to Date '81	3,695	7,933	.....	.....	.....	.....	.....	.....	11,628
INTERNATIONAL	May, '82	.....	.....	.....	.....	.....	1,247	1,125	1,529	3,901
	May, '81	.....	206	.....	.....	.....	1,180	1,714	2,122	5,222
	Year to Date '82	.....	.....	.....	.....	.....	5,914	5,026	6,831	17,771
	Year to Date '81	.....	1,448	.....	.....	.....	6,932	8,345	8,574	25,299
(Memo Units) #	May, '82	.....	.....	.....	.....	.....	.....	.....	.....	.....
	May, '81	.....	.....	.....	.....	.....	.....	.....	.....	.....
	Year to Date '82	.....	.....	.....	.....	.....	.....	.....	.....	.....
	Year to Date '81	.....	.....	.....	.....	.....	.....	.....	.....	.....
JEEP	May, '82	3,457	2,080	.....	.....	.....	.....	.....	.....	5,537
	May, '81	3,398	1,736	.....	.....	.....	.....	.....	.....	5,134
	Year to Date '82	12,702	10,206	.....	.....	.....	.....	.....	.....	22,908
	Year to Date '81	12,449	8,366	.....	.....	.....	.....	.....	.....	20,815
(Memo Units) #	May, '82	3,457	1,559	.....	.....	.....	.....	.....	.....	5,016
	May, '81	3,398	1,247	.....	.....	.....	.....	.....	.....	4,645
	Year to Date '82	12,702	7,563	.....	.....	.....	.....	.....	.....	20,265
	Year to Date '81	12,449	6,155	.....	.....	.....	.....	.....	.....	18,604
KENWORTH	May, '82	.....	.....	.....	.....	.....	.....	.....	747	747
	May, '81	.....	.....	.....	.....	.....	.....	.....	888	888
	Year to Date '82	.....	.....	.....	.....	.....	.....	.....	3,103	3,103
	Year to Date '81	.....	.....	.....	.....	.....	.....	.....	4,273	4,273
MACK	May, '82	.....	.....	.....	.....	.....	168	44	1,234	1,466
	May, '81	.....	.....	.....	.....	.....	126	17	1,702	1,845
	Year to Date '82	.....	.....	.....	.....	.....	936	251	5,490	6,677
	Year to Date '81	.....	.....	.....	.....	.....	487	61	7,332	7,880
MERCEDES-BENZ	May, '82	.....	.....	.....	.....	.....	178	69	.....	247
	May, '81	.....	.....	.....	.....	.....	.....	.....	.....	272
	Year to Date '82	.....	.....	.....	.....	.....	911	362	.....	1,273
	Year to Date '81	.....	.....	.....	.....	.....	.....	.....	.....	1,530
PETERBILT	May, '82	.....	.....	.....	.....	.....	.....	.....	501	501
	May, '81	.....	.....	.....	.....	.....	.....	.....	590	590
	Year to Date '82	.....	.....	.....	.....	.....	.....	.....	2,405	2,405
	Year to Date '81	.....	.....	.....	.....	.....	.....	.....	2,389	2,389
PLYMOUTH	May, '82	435	337	.....	.....	.....	.....	.....	.....	772
	May, '81	953	388	.....	.....	.....	.....	.....	.....	1,341
	Year to Date '82	2,938	1,725	.....	.....	.....	.....	.....	.....	4,663
	Year to Date '81	5,396	1,824	.....	.....	.....	.....	.....	.....	7,220
VOLVO	May, '82	.....	.....	.....	.....	.....	.....	26	20	46
	May, '81	.....	.....	.....	.....	.....	.....	60	95	155
	Year to Date '82	.....	.....	.....	.....	.....	.....	134	52	186
	Year to Date '81	.....	.....	.....	.....	1	11	266	249	527
WESTERN STAR	May, '82	.....	.....	.....	.....	.....	.....	.....	51	51
	May, '81	.....	.....	.....	.....	.....	.....	.....	84	84
	Year to Date '82	.....	.....	.....	.....	.....	.....	.....	313	313
	Year to Date '81	.....	.....	.....	.....	.....	.....	.....	330	330
WHITE	May, '82	.....	.....	.....	.....	.....	.....	.....	151	151
	May, '81	.....	.....	.....	.....	.....	.....	.....	246	246
	Year to Date '82	.....	.....	.....	.....	.....	.....	.....	809	809
	Year to Date '81	.....	.....	.....	.....	.....	.....	.....	1,216	1,216
MISCELLANEOUS*	May, '82	26,536	602	.....	.....	1	.....	6	155	27,300
	May, '81	27,120	513		2	.....	255	182	150	28,222
	Year to Date '82	123,334	2,536		4	4	.....	50	678	126,608
	Year to Date '81	118,501	1,771	2	5	3	1,323	649	612	122,866
TOTALS	May, '82	114,747	93,735	1,792	.....	146	3,355	5,592	6,810	226,177
	May, '81	100,433	77,964	1,181	2	176	3,777	6,986	8,773	198,392
	Year to Date '82	503,178	396,254	7,793	4	534	15,397	25,561	30,297	979,016
	Year to Date '81	442,788	350,838	5,445	6	657	20,219	27,865	37,231	885,094

★—No Oklahoma registrations, 1982 and 1981; Delaware, May, 1982.

#—Memo units are trucks which are part of the total listed above each entry. Chevrolet memo units are vans, Sportvan, El Camino, Blazer, LUV and S-10; Dodge, vans, Ram Wagon, Ramcharger, Ram 50 and Rampage; Ford, Econoline vans, Club Wagon, Bronco, Courier and Ranger; GMC, vans, Jimmy, Caballero and S-15; Jeep, CJs, Cherokee, Wagoneer and Scrambler. *—Miscellaneous includes Imports, Crane Carrier, Oshkosh, FWD, IVECO/Magirus, Diamond Reo, Hendrickson, etc.

—Compiled from R. L. Polk & Co. data.

DELUXE INTERIOR.



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Truck total is highest in 2½ years

Pickups pace May registrations gain

Continued from Page 16

334 units, up 4.1 percent over last year's 118,501. Group 2 was 4.3 percent higher, from 1,768 units in 1981 to 2,533. There was one Group 3 registration a year ago, but none this year.

Registrations of medium trucks in the January-May period were down 23.7 percent, from 20,882 units a year ago to \$15,935. Heavy trucks were off 14.2 percent to 55,858 units, compared with 65,096 units in 1981.

There were four Group 4 tallies through May, compared with six a year ago. The Group 5 count was down 23.7 percent, from 657 units in 1981 to 534. In Group 6, the total was 15,397 units, off 23.7 percent from last year's 20,219.

There were 25,561 Group 7 registrations over the five-month span, down 8.3 percent from the year-earlier 27,865. The Group 8 total dropped 18.6 percent, from 37,231 units in 1981 to 30,297.

• Chevrolet was No. 1 in registrations through May, but runnerup Ford cut the margin by slightly more than 1,000 units in May.

Chevrolet's five-month total of 321,960 tallies accounted for 32.89 percent of the industry total, an improvement of 1.92 percentage points over last year's 30.97 percent on 274,067 registrations.

Ford had 288,264 tallies through May good for 29.44 percent of the total. Its share, however, was down 2.45 points from last year's 31.89 percent, when Ford was No. 1 with 282,285 tallies.

Chevrolet, Dodge and GMC were the only nameplates to show an improvement in market share over the five-month period.

In the heavy-truck area, No. 1 Ford increased its lead over International during May and had an 828-unit margin at the end of the five-month span.

Ford had 12,685 Groups 7 and 8 tallies, accounting for 22.71 percent of the industry total. Its penetration was 1.80 points higher than last year's 20.91 percent on 13,612 tallies.

International's share was down 4.76 points, from 25.99 percent of the total a year ago on 16,919 registrations to 21.23 percent this year on 11,857 tallies.

GMC had the biggest gain in penetration through May, boosting its share by 6.53 points. Its 11,103 tallies this year accounted for 19.88 percent of the total, compared with 13.35 percent a year ago on 8,692.

Shipments of RVs climb for May, first five months

Continued from Page 16

homes in May hit 4,200 units, a gain of 31.3 percent over last year's 3,200. The five-month total was 17,900, up 15.5 percent over the year-ago 15,500 units.

• During the month, manufacturers wholesaled 1,800 conventional (Type A) motor homes, an increase of 28.6 percent over last year's 1,400. The five-month total of 8,100 units was 28.6 percent higher than the year-earlier 6,300.

Shipments of van campers (Type B) were up 33.3 percent for the month, but unchanged for the January-May period. In May, 400 units were delivered, compared with 300 a year ago. For the five months each year, 1,900 units were shipped.

Chopped vans — minis, low-profiles and compact — totaled 2,000 in May, up 33.3 percent over last year's 1,500. Through May, 7,900 units were delivered, an increase of 8.2 purcent over the year-earlier 7,300.

Shipments of multi-use vehicles during the month were 21 percent higher, from 8,100 units in 1981 to 9,800. For five months, the total was up 2.9 percent to 39,600 units, compared with 38,500 a year ago.

The multi-use vehicle is one designed for the transportation of people and/or property and altered by the RV manufacturer for aesthetic or decorative purposes. These changes may include windows, carpeting, paneling, seats, sofas and accessories.

RV business hot in Minnesota, dealers report

Continued from Page 16

up 35 percent over the same month a year ago and 19 percent higher for the year to date.

New motor-home sales for the dealer were up 11 percent. New travel trailers were 5 percent higher, and used trailers were up 10 percent. New truck campers were ahead 7 percent, but used units were off 21 percent.

"It does look like the dealers are on their way to a good year despite the recession," said Bob Budd, one of the owners of Landey's recreational vehicles in suburban Shakopee.

"This industry is noted for being one of the first to drop in a recession and one of the first to bounce back on a recovery," he added. "It looks like we're bouncing back."

Cost cuts trim Fruehauf's loss in second quarter

Continued from Page 16

sales dropped 10 percent, from \$1.1 billion in 1981 to \$1 billion.

Robert D. Rowan, Fruehauf chairman, said the company isn't anticipating any quick improvement in the economy or in the industries served by Fruehauf.

"We anticipate that sales will improve in the fourth quarter, which, combined with cost reductions, will return Fruehauf's earnings to more respectable levels," Rowan added.

First-half earnings of Fruehauf Finance Co., which reported its 12th consecutive year of record results in 1981, were down slightly from the previous year, but the company expects it will continue record year-to-year improvements for the full year 1982.

The finance company had second-quarter net earnings of \$4 million, down almost 20 percent from the year-earlier \$4.9 million. Revenues totaled \$22.6 million, off 12.4 percent from last year's \$25.8 million.

First-half earnings amounted to \$8.1 million, compared with \$9 million in the same period a year ago.

Champion sales, pretax income up in first quarter

Continued from Page 16

sales and profitability compared with a year ago.

"This reflects the nagging impact of high interest rates and increasing unemployment among potential first-time motor-home installment buyers," Morris said.

Dollar sales of Champion's motor vehicles for the first quarter, representing 14 percent of total revenues, amounted to about \$10.8 million, down 11 percent from the year-ago \$12.1 million.

Unit sales of motor homes and medium-duty transit buses for the quarter totaled 417, a decline of 37 percent from last year's 665.

Challenge Series Update.

Renault on the Go!

Points standing as of June 30:

1.	Renault	135
2.	Mazda	95
3.	Volkswagen	34
4.	Ford	20
5.	Subaru	18
6.	Saab	10
7.	Dodge	3

Champion Spark Plug Challenge upcoming races:

Portland, August 1
Road America, August 22
Mid-Ohio, September 5
Road Atlanta, September 12
Pocono, September 26
Lime Rock, October 9
Daytona, November 28

At the halfway point of the Champion Spark Plug Challenge, Renault is leading the Manufacturers' Points for front-wheel drive cars.

It hasn't been easy and the racing has been fiercely competitive. The number of front-wheel drive entries is increasing. Which indicates the second half should be as fast and furious as the first.

Champion Spark Plug Challenge

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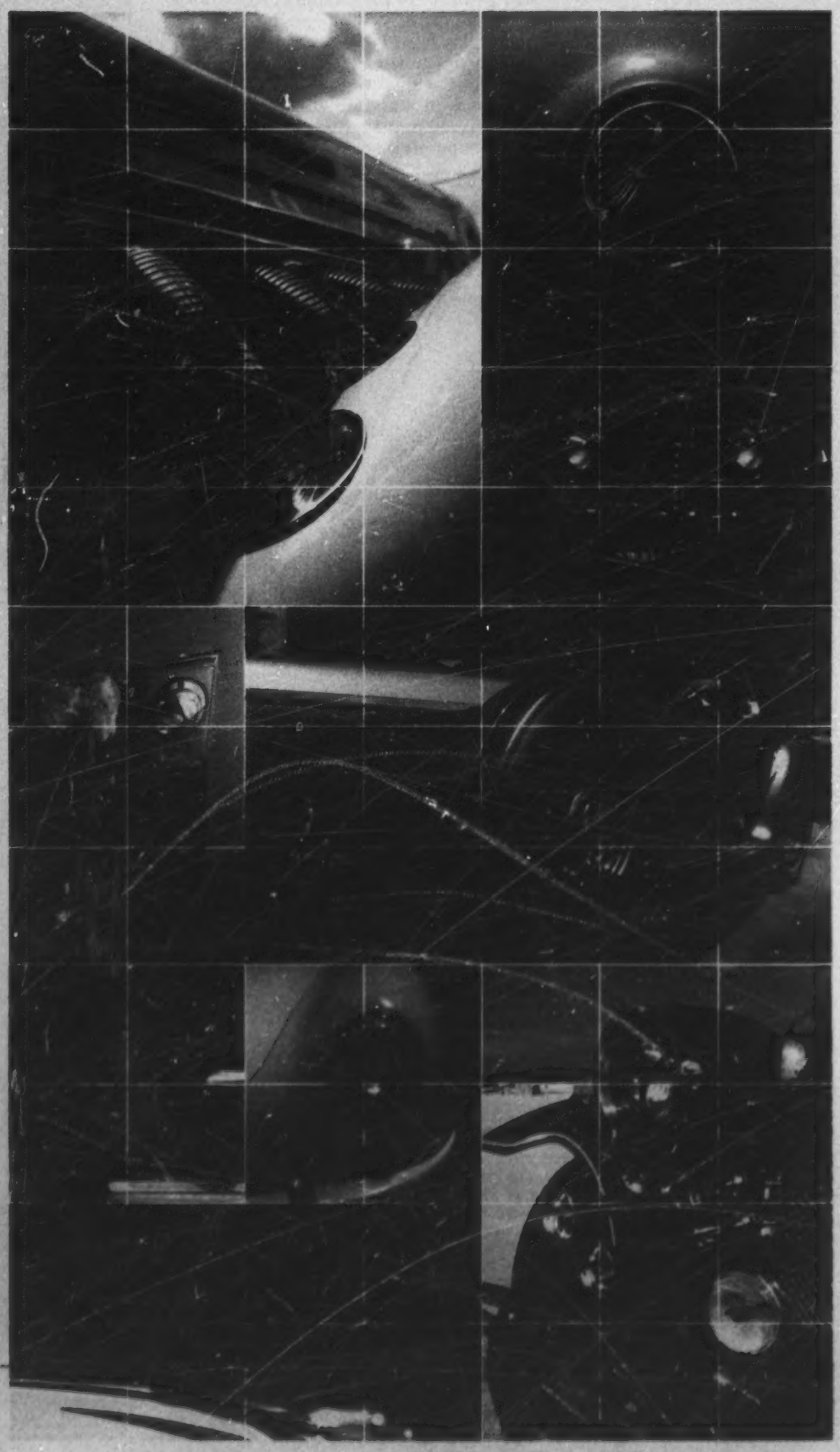
Automotive News EXTRA
JULY 26, 1982

CUSTOM MARKET



Survival is tougher as economy slips

By Jim Plegue
Staff Writer

The Custom Market, land of flash and filigree and cars that can cost as much as a house, is starting to feel the impact of a crumbling economy, interest rates that cause nosebleeds and money that's as scarce as a bank loan.

Business survival under current conditions is at best difficult. Just ask Detroit's major auto makers, who are now intimately acquainted with red ink and the 10-day disappointment.

But survival for smaller specialty makers — those building the shiny neoclassics, replicars, kit-cars, limousines and convertibles — is even tougher. Financial casualties in the specialty field are mounting.

There are a few bright spots in the marketplace, though, namely the kit-car makers — which continue to proliferate — and the add-on and simple conversions market (everything from chromo grilles to whale tails, targa bands to T-roofs).

Always optimistic

Despite the stagnant market, most companies have shown a tenacious ability to survive. And, almost to a company, they remain ever-optimistic about the future, as evidenced by the results of an AUTOMOTIVE NEWS survey of nearly 300 Custom Market companies.

In fact, if optimism were hard currency, the companies that comprise the custom market would be rich beyond compare.

The 300 companies polled represent only a portion of the total number of specialty firms doing business in the U. S. and Canada. It seems virtually impossible to nail down the total number of companies or their total sales. Companies appear and disappear, sometimes in a fortnight. Then, too, there are many markets and sub-markets.

Of the 300 companies surveyed, about one-third responded, and almost all of them said they expected sales increases this year. All told, those companies forecasted sales at between 8,000 and 10,000 units.

The more familiar marques—the popular neoclassic "Gatsybish" cars — gave these sales figures:

	1982	1981
Clenet	50	125
Excalibur	250	235
Baroque	30	—
Moselle	36	20
Phillips	65	85
Bradford	50	—
Zimmer	300	255
Corsair	36	24
Bayliff (Packard)	30	22

Part of what is happening within the custom market can be expected in most young industries: Maturity followed by attrition—growing pains, if you will—among those companies not equipped to bend with the marketplace.

Poor business skills, undercapitalization, inadequate advertising, a narrow product line or substandard product quality can be the death knell for a fledging company, experts said.

"Those people who got into this business on sheer emotion are having trouble," said Joe Molina, an irrepressible public relations agent in Woodland Hills, Calif., who has represented about 25 manufacturers.

"There's going to be a weeding out of the weak, and the strong shall survive. If you don't have the backing of an Excalibur or a Zimmer it's going to be tough going."

An unfriendly economy

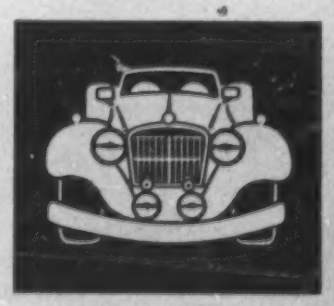
Last year's shakeout in the industry is now being exacerbated by an unfriendly economy. Disposable income is down and those people with thousands of free dollars are looking at other uses for their money.

"If a guy's got $30,000 to $50,000 . . . he's got to be thinking twice about buying a car when he can get 15- or 16-percent interest on it someplace else," said a sales executive with an established specialty firm.

"The industry overextended itself and it got caught in the economy," said Bob Wallach, president, Robert Consulting Group, Inc., a management consultant firm in Nassau City, N. Y., that specializes in exotic-car firms.

"What happened was a bit of bad luck. First, high interest

Continued on Page E-11



HIGHLIGHTS

Checking on dealers E-2
Convertibles E-4
Shrinking limos E-6
Goodbye, Checker cab E-8
Directory of Makers E-15

Economy is speeding custom-market maturity

Continued from Page E-1

rates convinced people to put their money in CDs (certificates of deposit). Then the whole economy went bad and people started putting their money into the value imports (BMW and Mercedes, for example) or started leasing cars."

Wallach said the problems will extend through the year and grimly added: "It's going to be enough to kill off a good percentage of the specialty makers."

Other problems facing the custom makers is a market that's flooded with "look-alike" cars, according to Wallach. And some industry observers feel that consumer tastes are shifting away from flashy cars.

"These cars are amusements for people," added Molina. "They're ego gratifications. And these days, $70,000 is a sizeable amount to spend on ego. The car better be built well. They want more than a pretty body. They want a car that works and doesn't creak or groan when they drive down the road."

Quality counts

Quality will make the difference, said Don Brooks, Classic Cars of London, Ont., which builds an Auburn Speedster replica.

"He (the buyer) has to see real quality. The car has to be a quality product for him not to justify investing his money into something else. Disposable income has to be allocated more precisely now."

Brooks, who was involved in both the custom-van and snowmobile markets and observed the shakeout period in those industries, said the specialty market wll survive, but it also will change.

"There will be properly educated business people who will take a good look at this industry, evaluate it and come in and do it right," Brooks said. "The big companies will eat up the potentially good little companies.

"I would guess that within the next year — maybe even the next six months — you're going to see changes. A lot of companies have been hanging on through the winter, hoping for that summer selling season, which is right now. And if they don't get the sales, they won't be able to hang on through another winter.

The key to survival, most have agreed, is in diversification. That is already starting to happen within the industry. Moselle Coach Works, Inc., for example, recently added a line of limousines to supplement sales of its Moselle II neoclassic car.

Royal Coach Division, Clearwater, Fla., builds high-ticket limousines and convertibles — but also builds trolley cars, perhaps as many as 12 this year.

Explained General Manager Mark Doyne: "We're trying to do a lot of different things so that if the market does fall apart, we won't die."

Add-ons are booming

As noted earlier, the lower-priced add-on and conversion market seems to be booming. E & G Classics, Columbia, Md., which specializes in chrome aftermarket grilles, said business has tripled this year.

Cars & Concepts, Inc., Brighton, Mich., has quadrupled its sales volume in the last year, led by its Chrysler and Ford Mustang convertible conversions and sales of a new sunroof installation.

"We're more in the enhancement business, as opposed to building a car from the ground up, said Phil Edwards, vice president, parts and production, C & C. "So you're not locked in on one car. You've got more options available to you."

Some companies keep plugging along, come rain or shine. Elite Heritage Motors Corp., Elroy, Wis., which sells $100,000-and-up Duesenberg II replicas, is sold out for two years in advance (24 cars), claimed President Richard I. Braund.

And Avanti Motor Corp., which sells the Avanti II, a luxury GT with styling that is virtually unchanged from the original Studebaker Avanti I of 1963, had record sales last year of 191 units. This year, the company expects to sell 200, according to David Walton, assistant sales manager.

"The last two years have been the best in our history," said Walton. "And they've been profit-making years."

More roofs in works for Cars & Concepts

BRIGHTON, Mich. — Cars & Concepts, Inc., is vying for future roof projects with Detroit's auto makers.

The company may build a convertible conversion of the '84 Corvette and is looking at a roof program for Chrysler's upcoming G-24 sports car.

Return to sender

As part of its research into the Custom Market, Automotive News sent out surveys to nearly 300 companies. About 10 percent—as shown above—were undeliverable.

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And other legislatures considering increases for road repair

7 states hike fuel taxes this year

WASHINGTON. — Legislatures in seven states have voted to raise motor fuel taxes in 1982, two of them for the second year in a row, according to the Highway Users Federation.

Legislatures in six other states are still considering similar increases, which will be used, by and large, for road, street and bridge repairs and Interstate highway completion and rehabilitation projects.

Drivers will be paying higher taxes on motor fuel in Arizona, Idaho, Kentucky, Maryland, Missouri, Vermont and Virginia. Idaho and Vermont also hiked taxes in 1981. Kentucky and Virginia last raised taxes in 1980.

Bills to increase motor-fuel taxes are pending in Illinois, Louisiana, Massachusetts, Michigan, New Jersey and New York. None of them are among the 22 states — a record number — that raised motor fuel taxes last year.

So far this year, bills to increase taxation on motor fuel have failed in Connecticut, Indiana, Kansas, Maine, Oklahoma, Washington and West Virginia.

Arizona's three-year measure boosted the 8-cents-per-gallon tax to 10 cents on July 1. It will become 12 cents on July 1, 1983, and 13 cents on July 1, 1984.

Idaho's one-cent increase raised the tax on gasoline and diesel fuel to 12.5 cents a gallon and to 8.5 cents for gasohol. Last year, Idaho enacted a 2-cent hike.

• Kentucky taxes motor fuel according to a variable rate formula — 9 percent of the wholesale price adjusted quarterly. But a new state law that took effect July 1 specifies that a minimum 10 cents per gallon tax must be collected. The state had been collecting 9.5 cents a gallon.

Maryland's tax rose 2 cents a gallon to 11 cents on June 1, with another 2.5 cent increase scheduled for 1983. In 1984, Maryland's tax formula will switch to 10 percent of the wholesale cost, with a 13.5-cent-a-gallon minimum.

The Missouri legislature approved raising the fuel tax from 7 to 11 cents a gallon, subject to voter ratification in November.

As of July 1, diesel fuel in Vermont is taxed at 14 cents a gallon—3 cents higher than gascline and gasohol. In 1981, Vermon passed a 2-cent hike for those fuels, but had never taxed diesel on a per-gallon basis.

On July 1, Virginia tacked on a 3-percent excise tax to the state's cents-per-gallon structure. The excise tax is based on the wholesale price of motor fuel. Virginia had levied 11 cents on gasoline and diesel and 3 cents on gasohol.

As a side note, Tennessee passed a law this year allowing cities and counties to impose a one-cent motor fuel tax to raise money for mass-transit systems.

Motor fuel tax hikes are possible this year in a number of states.

Michigan legislators are considering bills to raise the state's cents-per-gallon motor-fuel tax or switch to a percent rate formula. An Illinois bill would increase the state's 7.5-cent tax to 12 cents over the next two years. A Louisiana bill would add 2 cents to the state's 8-cent tax.

Proposals in New Jersey and New York would change state tax rates from cents-per-gallon to variable percentage-of-price structures. Another New Jersey bill would add a 5-percent sales tax.

In Massachusetts, legislators are examining percentage increases to the state's 10-percent wholesale tax rate. The effective cents-per-gallon tax in Massachusetts fell along with fuel costs.

factories list auction dates

American Motors

July 27—Aptco Auto Auction, Taylor, Mich.

July 29—Todd Auto Auction, Telford, Pa.; Minneapolis North Star Auto Auction, Minneapolis, Minn.

July 30—Floyd Hauhe Auto Auction, Bridgeton, Mo.; Concord Auto Auction, Acton, Mass.

Ford Motor Co.

July 27—Aptco Auto Auction, Taylor, Mich.

July 28—Concord Auto Auction, Acton, Mass.; Central States Auto Auction, Mason City, Ia., and Golden Gate Auto Auction, Fremont, Calif.

British firm purchases Kansas City auction

KANSAS CITY. — Metropolitan Auto Auction has been purchased by Anglo American Auto Auctions, Inc. Bob Gentle, who formed Metro five years ago, has agreed to stay with the firm for at least a year.

Anglo American is a subsidiary of the British Car Auction Group. The company recently purchased the Nashville Auto Auction.

Used car sales
Auction Averages

July to date	$4,885
Month ago	$4,708
Year ago	$4,359

Model breakdown
Auction Averages

	JULY TO DATE	JUNE	MAY
1982	$9,762	$9,646	$9,102
1981	6,879	6,892	6,995
1980	5,356	5,367	5,439
1979	4,787	4,768	4,807
1978	3,878	3,637	3,874
1977	2,962	2,950	2,986
1976	2,023	2,041	2,146
1975	1,656	1,415	1,539
Overall Average	$4,885	$4,708	$4,799

A replica of a rarity

The Laser J2X, a replica kit built by Elite Enterprises, Cokato, Minn., is a copy of the rare J2X Cad-Allard, a sports car imported to North America in limited numbers (less than 100) during the '50s. The Laser can be built with choice of four-cylinder, V-6 or V-8 engines, mounted in the front or rear. Prices start at $3,995.

Pennsylvania still trying to block emission checks

HARRISBURG, Pa.—Ignoring federal sanctions against the state's highway program, the state Senate is moving on two fronts to insure that no state money is spent for a court-ordered auto emissions inspection program.

Senate Minority Whip Eugene Scanlon, Pittsburgh Democrat, said he will push for an amendment barring the state Transportation Department from implementing the program ordered by a U. S. District Court judge.

At the same time, the Senate Transportation Committee approved identical legislation by Senator Clarence Bell, Republican of Delaware County in suburban Philadelphia. At issue is a program that was supposed to begin in May in 12 counties in the Philadelphia, Pittsburgh, Allentown and Wilkes-Barre areas.

Last year, Gov. Richard Thornburgh vetoed legislation blocking state funds for the emissions program, but the Legislature in October overrode his veto by a substantial margin.

When Thornburgh rejected the bill in July, he said it was because of the possible loss of $400 million in federal highway funds. His fears were realized and $260 million remains frozen because of the ongoing litigation.

In January, U. S. District Court Judge Louis Bechtle in Philadelphia found the state in contempt for not abiding by the agreement to begin checking cars annually for auto exhaust emissions

In May, the U. S. Third Circuit Court of Appeals in Philadelphia upheld Judge Bechtle's ruling.

Close marks 25 years as Volkswagen dealer

HAYWARD, Calif. — James R. Close, of Humphrey Motors, Inc., has received an award from Volkswagen of America in recognition of his 25 years as a VW dealer.

Humphrey Motors, which began in a 6,000-square-foot building with 10 employes, now occupies 15,000 square feet and has 50 employes. Close was chairman of VW's National Dealer Advisory Council in 1970.

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Milestone car trails 1981 by 6 weeks

Auto output edges above 3 million

By Patricia Hoffman
Staff Writer

The three-millionth U.S. automobile of 1982 was assembled last Friday (July 23), six weeks later than the point was reached in 1981.

So far this year, the makers have finished 3,002,411 cars, down 25.21 percent from 4,014,562 built through July 25 last year.

The return of all Ford Motor's 10 car assembly plants and Chrysler Corp.'s Belvidere facility upped last week's estimated car production 27.28 percent to 116,604 units from 91,610 built the previous week. Output also was 3.48 percent above the 112,686 cars assembled in the comparable 1981 week.

Breakdown for last week by company was: General Motors, 61.61 percent; Ford, 25.57 percent; Chrysler, 8.32 percent; Volkswagen of America, 3.10 percent and American Motors, 1.40 percent.

Following a two week vacation, Ford resumed operations last week at all 10 of its assembly points, with daily overtime scheduled at the St. Louis and Wixom facilities.

The Ford Lorain plant returned with second-shift operations. Approximately 1,150 workers were recalled from indefinite layoff.

Chrysler's Belvidere facility resumed operations last week after one week of model changeover. Still down at Chrysler is the Jefferson plant which has scheduled a three-week changeover period. Jefferson is slated to return Aug. 2.

GM's Detroit and Leeds plants joined the Linden plant last week in model changeover. Detroit and Leeds have slated a six-week shutdown. Linden is scheduled to return Thursday, Aug. 12.

Ford truck plants return, boost U.S. output 68 percent

The return of all but one Ford Motor Co. facility upped last week's domestic truck production a substantial 68.74 percent from the previous week, and output jumped 37.32 percent from the comparable 1981 period.

Last week, the makers planned 43,686 units, up from 25,889 the previous week and up from 31,814 in the same week last year.

So far this year, the manufacturers have finished 1,153,359 units, a 12.59 percent gain from 1,024,394 built by this time last year.

Eight of Ford's nine truck facilities resumed production last week (July 19) following a two-week vacation. Ford's Kentucky point, idled for vacation July 12, is slated to resume today (July 26).

Ford's Lorain (van), Michigan and Twin Cities points operated on daily overtime last week.

General Motors' Pontiac S-truck facility was idle for model changeover last week and its GMC Truck and Coach lines were down for inventory control.

The GM Moraine plant operated a daily overtime shift last week.

Chrysler Corp.'s Belvidere point also worked daily overtime after being idle one week for model changeover.

International Harvester's Ft. Wayne and Springfield facilities were idle for the fourth week last week. Both points will be down against this week.

Volkswagen of America's Westmoreland line remained down for model changeover. VWoA truck production, which stopped June 26, will return with 1983 models in September.

GM unit signed to supply Toyota valve lifters

ROCHESTER, N. Y.—Toyota Motor Co. has signed an agreement with General Motors' Rochester Products Division to purchase hydraulic valve lifters for Toyota engines starting in the 1983 model year.

Rochester Products said the purchase agreement will make the GM unit the first non-Japanese supplier of a critical component in a Toyota engine.

Initial volume will total more than one million units for 1983. The valve lifters will be used in a new four-cylinder engine Toyota plans to use in three taxi and six truck models.

The valve lifters will be made at Plant 1 of Rochester Products' Grand Rapids (Mich.) plant. The lifters will be similar to those used in GM engines.

3 plants idle; car output dips 31 pct. in Canada

Downtime at three car plants pulled last week's Canadian auto production down 31.09 percent from the previous week's total, and output was 36.46 percent below the comparable 1981 figure.

Auto production last week was estimated at 8,089 units, down from 11,738 the previous week, and down from 12,730 units built in last year's comparable week.

To date, there have been 513,262 cars assembled, up slightly from the 512,897 units completed at this time last year.

The truck makers targeted output last week at 6,670 units, about the same as 6,621 the previous week but down 17.90 percent from 8,124 in the same week last year.

So far this year, the truck manufacturers have finished 304,062 units, down 6.12 percent from 323,895 built the same 1981 period.

Ford's Oakville and St. Thomas facilities were idle last week for vacation. Both points are scheduled to return today (July 26).

Also down for vacation last week was Chrysler's Windsor car plant. It is slated to return Aug. 2 with production of 1983 models.

American Motors' Brampton plant returned last week with two-shift operations. Output was upped from 122 units a day on one shift to 244 units a day on two shifts.

General Motors' Oshawa (No. Two) and Ste. Therese facilities have slated vacation downtime beginning today. Oshawa is scheduled to return Aug. 2, and Ste. Therese is expected to resume Aug. 9.

Volvo's Halifax plant will be idled three weeks beginning Aug. 2.

Ford's Oakville truck plant returned last week from a two-week vacation shutdown.

Chrysler's Windsor truck plant and International Harvester's Chatham and Vancouver facilities remained idle last week.

GM to replace fuel valves in Z-28s, Trans Ams

DETROIT. — General Motors is recalling about 26,000 1982 Chevrolet Camaro Z-28 and Pontiac Firebird Trans Am models equipped with 5.0-liter V-8 engines with fuel injection to replace a vent valve and a pressure valve in the fuel system.

GM said it has determined that if the fuel filler cap is removed on these cars when the tank is more than three-quarters full, particularly if there is pressure in the tank as evidenced by a whistling sound from the fuel vent system, gasoline may be forced out of the filler neck.

The cars represent about 12 percent of 1982 Camaro and Firebird production.

GM has received 17 reports of fuel spillage. There have been no reports of injuries or fires, GM said.

U. S. CAR PRODUCTION

	Week Ended July 24, 1982	Week Ended July 25, 1981	Week Ended July 17, 1982	July to Date	Jan. 1 to July 25, 1981	Jan. 1 to July 24, 1982
AMERICAN MOTORS	1,620*	3,200*	1,600*	5,620*	68,754*	33,919
Spirit	.....	.....	.....	.....	.....	.....
Concord	.....	.....	.....	.....	.....	.....
Eagle	.....	.....	.....	.....	.....	.....
CHRYSLER CORP.	9,700	15,404	8,520	35,806	496,659	344,252
Plymouth Total	4,900	7,293	2,974	16,138	257,300	142,388
Horizon	2,600	2,808	.....	5,591	96,304	44,759
Reliant	2,300	4,485	2,974	10,547	151,409	97,629
Caravelle	.....	.....	.....	.....	2,139	.....
Gran Fury	.....	.....	.....	.....	7,448	.....
Chrysler Total	1,200	.....	1,296	6,622	22,098	67,379
LeBaron	1,200	.....	1,296	6,622	17,236	67,379
Chrysler	.....	.....	.....	.....	4,862	.....
Dodge Total	3,600	8,111	2,250	13,046	217,261	134,485
Omni	1,700	3,812	.....	4,740	81,540	41,695
Aries	1,400	4,299	1,619	6,052	119,395	72,643
Diplomat	.....	.....	.....	.....	12,644	.....
Dodge 400	500	.....	631	2,254	.....	20,147
St. Regis	.....	.....	.....	.....	3,682	.....
FORD MOTOR	29,819	29,085	.....	39,532	809,609	642,029
Ford Division	18,510	20,067	.....	24,279	552,467	409,090
Escort	6,261	6,737	.....	6,261	206,020	162,234
Fairmont	2,559	4,181	.....	4,370	118,666	71,752
Must./Must. II	3,459	4,153	.....	5,294	97,481	76,144
Granada	3,925	2,758	.....	6,048	49,050	70,787
Thunderbird	2,134	2,238	.....	2,134	40,364	23,843
Ford	.....	.....	.....	.....	40,886	.....
EXP	172	.....	.....	172	.....	4,330
L-M Division	11,309	9,018	.....	15,253	257,142	232,939
Mercury Total	9,435	9,018	.....	12,396	220,845	178,960
Lynx	2,688	2,782	.....	2,688	72,341	49,811
Capri	1,117	1,466	.....	1,724	34,100	19,320
Zephyr	835	904	.....	1,377	36,331	23,610
Cougar	2,051	1,530	.....	2,947	25,335	33,746
XR-7	825	1,026	.....	825	17,786	8,070
Mercury	1,840	1,310	.....	2,756	34,952	43,430
LN7	79	.....	.....	79	.....	993
Lincoln Total	1,874	.....	.....	2,857	36,297	53,959
Continental ('82)	375	.....	.....	571	.....	11,319
Lincoln	919	.....	.....	1,401	17,699	24,420
Mark VI	580	.....	.....	885	18,598	18,220
GENERAL MOTORS	71,845	61,317	79,961	265,723	2,531,411	1,923,603
Buick Division	15,581	10,461	17,059	59,885	537,819	445,970
Skylark	4,075	6,595	3,992	13,154	156,828	83,460
Skyhawk J	.....	.....	994	3,934	.....	47,922
Century	3,495	.....	3,483	11,551	86,881	77,817
Regal	4,367	2,262	4,453	16,007	161,779	116,390
Buick	3,644	1,010	4,137	13,904	97,039	99,173
Riviera	.....	594	.....	1,335	35,292	21,206
Cadillac Division	422	2,036	3,828	11,784	168,200	138,402
Cimarron	422	1,121	322	1,114	7,940	3,061
Seville	.....	209	.....	404	15,911	12,590
Eldorado	.....	706	.....	1,765	40,037	34,312
Cadillac	.....	.....	3,506	8,501	104,312	88,439
Chevrolet Division	27,146	25,482	27,355	89,759	941,233	609,129
Chevette	5,590	8,918	5,766	18,770	207,485	132,860
Cavalier	2,793	4,654	2,407	7,805	40,908	51,470
Celebrity	1,448	.....	1,632	5,504	.....	40,260
Camaro	5,318	.....	4,959	16,512	87,073	130,833
Citation	4,845	6,553	4,960	16,289	225,651	107,121
Malibu	3,262	2,333	3,252	10,741	159,073	69,745
Monte Carlo	1,596	2,074	1,918	6,098	89,973	40,245
Chevrolet	1,695	3	1,853	6,044	112,127	19,619
Corvette	600	947	608	1,996	18,943	16,976
Oldsmobile Division	14,671	12,181	17,668	57,387	562,994	446,058
Omega	2,411	3,735	2,436	7,887	93,531	51,001
Firenza	.....	.....	1,103	3,757	.....	34,011
Cutlass	5,100	2,549	5,808	18,202	273,012	116,087
Cutlass/Ciera	1,705	.....	1,714	5,965	.....	68,379
Oldsmobile	5,455	5,435	6,607	20,522	167,056	157,229
Toronado	.....	462	.....	1,054	29,395	19,351
Pontiac Division	14,025	11,157	14,071	46,908	321,165	284,044
Acadian†	370	226	258	1,168	13,999	7,763
J2000	1,705	2,423	1,752	5,611	32,137	25,695
T1000	1,480	2,303	1,506	4,853	45,887	22,468
Firebird	3,593	.....	3,257	11,139	43,457	78,708
Phoenix	1,660	1,949	1,732	5,767	70,828	31,255
Grand Prix	1,815	2,319	1,838	6,059	64,991	46,637
Bonneville ('82)	1,969	.....	2,010	6,530	.....	47,095
A6000	1,433	.....	1,718	5,781	.....	24,423
LeMans	.....	1,570	.....	.....	40,507	.....
Pontiac	.....	367	.....	.....	9,359	.....
VOLKSWAGEN	3,620	3,645	3,509	7,129	106,806	56,445
CHECKER	.....	35*	.....	150*	1,323*	2,163*
Total Cars, U. S.	116,604	112,686	91,610	353,960	4,014,562	3,002,411

TRUCK PRODUCTION IN U. S.†

	Week Ended July 24, 1982	Week Ended July 25, 1981	Week Ended July 17, 1982	July to Date	Jan. 1 to July 25, 1981	Jan. 1 to July 24, 1982
CHEVROLET	15,367	7,637	15,732	52,418	333,458	406,414
DODGE	3,000	1,470	2,348	9,786	58,556	77,602
FORD	18,190	15,770	.....	28,578	362,928	404,351
GMC	4,479	2,057	5,159	17,346	111,852	148,226
INTERNATIONAL	.....	.....	.....	404	38,522	27,222
VOLKSWAGEN	.....	930	.....	.....	26,282	8,103
JEEP	1,600*	2,500*	1,600*	5,600*	53,471*	47,111*
AM GENERAL	50*	50*	50*	175*	2,525*	1,330*
MISCELLANEOUS	1,000*	1,400*	1,000*	3,500*	36,800*	33,000*
Total Trucks, U. S.	43,686	31,814	25,889	117,809	1,024,394	1,153,359

CANADIAN TRUCK PRODUCTION

	Week Ended July 24, 1982	Week Ended July 25, 1981	Week Ended July 17, 1982	July to Date	Jan. 1 to July 25, 1981	Jan. 1 to July 24, 1982
CHRYSLER CORP.	.....	14	2,069	5,243	47,046	59,279
FORD MOTOR	3,070	3,217	484	5,150	93,419	80,961
GENERAL MOTORS	3,600	4,893	4,068	12,569	177,024	157,397
INTERNATIONAL	.....	.....	.....	84	6,406	6,425
Total Trucks, Canada	6,670	8,124	6,621	23,046	323,895	304,062
N. American Trucks	50,356	39,938	32,510	140,855	1,348,289	1,457,421

†—Now includes window van production. *—Estimated.
Jeep includes commercial only. AM General includes government-destined vehicles.

CANADIAN CAR PRODUCTION

	Week Ended July 24, 1982	Week Ended July 25, 1981	Week Ended July 17, 1982	July to Date	Jan. 1 to July 25, 1981	Jan. 1 to July 24, 1982
AMERICAN MOTORS	715	730	.....	893	19,497	14,907
CHRYSLER CORP.	.....	2,541	2,931	7,996	29,709	95,715
FORD MOTOR	.....	1,032	150	1,733	129,003	172,105
GENERAL MOTORS	7,149	5,202	8,432	26,504	328,431	224,268
VOLVO	225	225	225	765	6,257	6,267
Total Cars, Canada	8,089	12,730	11,738	37,891	512,897	513,262
N. American Cars	124,693	125,416	103,348	391,851	4,527,459	3,515,673
N. American Trucks	50,356	39,938	32,510	140,855	1,348,289	1,457,421
North American Cars and Trucks	175,049	165,354	135,858	532,706	5,875,748	4,973,094

†—All Acadians and Caravelles are built for sale in Canada. *—Estimated.

C2700-1 8/2/82

Automotive News

August 2, 1982

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Chrysler's G-24

Camera zooms in on '84 sports car

Chrysler's G-24 sports car, due as an '84 model, is shown in full trim in these unofficial photos. The G-24 will be sold by both Chrysler and Dodge dealers with standard 2.2-liter four-cylinder fuel-injected engine and five-speed manual transmission. A turbocharged version of that powerplant, as well as the Mitsubishi-built 2.6-liter four, will be optional. The front-drive four-place hatchback is based on the K-car chassis.

Canada 'goes by the book' to slow Japanese imports

By Roger Rowand
Engineering Editor

Japanese car makers have the advantage over their Western counterparts in terms of labor costs, a favorable yen/dollar relationship and a hand-in-glove government policy.

But when it comes to rolling cars down ship gangways into the Canadian market, the Canadians have the Japanese in an icy grip of undeclared protectionism.

Japanese cars are moving into the land of the maple leaf at a snail's pace.

Keith Dixon, president of the Canadian Importers Assn., said the fact that 10,000 to 12,000 cars are stuck in Vancouver is hurting all importers.

"The number of customs inspectors assigned to this silliness has reduced customs clearance on all sorts of goods, including European cars," he said.

"It is childish and illogical," Dixon said.

The situation stems from the fact Canadian customs inspectors since April have been giving a careful once-over to each and every Japanese vehicle that enters the Port of Vancouver.

The busy blue-uniformed inspectors are checking vehicle identification numbers and safety and exhaust emissions documentation. They're looking above visors and into trunks to see if anything is tucked away there. They're checking options to see if they are on the vehicle as stated in import documents.

Toyota Motor Co.'s most recent ship to arrive at Vancouver was held up by customs for over a month. Only after 34 days was its cargo of 1,708 vehicles discharged.

Other importers have experienced similar slowdowns and shortages of cars are becoming extreme.

• Dealers, who call the Vancouver maneuver harassment, report some layoffs, chiefly of sales personnel.

The alleged harassment has no roots in customs but is a political tactic being used to force Japan to the negotiating table to talk about voluntary restraining its exports to Canada.

Under an earlier voluntary restraint program, Japanese makers limited exports to Canada to 174,000 passenger cars a year. That agreement expired in March.

Canada wants a new agreement with imports reduced by 28,000 to 146,000 units. It also wants a limit on pickup trucks. Previously, there was no ceiling on the number of the popular little trucks brought in.

Canada has about 937 Japanese car dealerships employing some 12,000.

"If you have six or eight salesmen, you obviously can't keep them busy if you're not getting cars," said one importer.

Unemployment is critical in Canada today. It is a major political football, along with inflation and skyrocketing interest rates.

Bill Rowley, of Toronto, is the attorney for the newly formed Canadian Assn. of Japanese Automobile Dealers. He is pragmatic.

"Salesmen tend not to get paid till the car leaves the lot," he said. "Even though demand for the product stays up and orders are written, the dealer can't deliver. That effects not only the customer but the salesman's ability to make a living. The harassment is starting to effect a lot of people."

Lacking an exact figure, Row-

Continued on Page 43, Col. 4

breaking news

Clenet facility padlocked

SANTA BARBARA, Calif. — Clenet Coachworks, neoclassic-car builder, has been padlocked by court order. Minority stockholder S. Prestley Blake, who owns the assembly plant here, sought the action for nonpayment of debts. Company founder Alain Clenet was charged with offering a potential investor inventory owned by Blake as loan collateral.

New $200 million sale by Chrysler Financial

DETROIT. — Chrysler Financial Corp. is selling another $200 million worth of retail receivables (installment contracts) to provide funds for dealer floorplanning and for financing up to 50,000 cars and trucks. The buyer is Associates Corp. of North America, and the receivables will be available for purchase in September. Late in July, CFC sold $500 million worth of retail receivables to Chrysler Corp. and 39 banks, with the funds to be used to finance up to 100,000 new vehicles and for dealer floorplanning.

Current picture called 'bleak,' future 'uncertain'

Auto revolution afoot, study says

By Helen Kahn
Washington Bureau Chief

WASHINGTON. — A new study of the competitiveness of the domestic auto industry finds what is happening "akin to a cultural revolution" that needs time to effect a "true reformation."

But while suggesting rather guarded optimism, the report offers no firm conclusions, opting instead for a choice of three scenarios which have quite different policy implications both externally (regulation, taxes and trade, for example) and internally (labor and management, for example).

The report, "The Competitive Status of the U. S. Auto Industry: A Study of the Influences of Technology in Determining International Industrial Competitive Advantage," was done for the National Science Foundation by the National Academy of Engineering's Office of the Foreign Secretary in cooperation with the Commission on Engineering and Technical Systems of the National Research Council.

It is one of six industry-specific studies. The auto panel was chaired by Prof. William J. Abernathy, professor in the Harvard Graduate School of

Continued on Page 43, Col. 1

The '83 models: Survey of what's new shows Ford has lion's share; intros staggered

By Jim Plegue
Staff Writer

The sell-when-they're-ready approach to new-model showings is gradually replacing the traditional fall introduction as auto makers rush to bring competitive products to an ever-changing market.

The 1983-model intros are a further example of the shift away from the fall shows. The model year no longer denotes a span of time as much as it does the set of government regulations that a new car has met.

Though the '83 introductions start in the traditional month of September, most of those products are carryover cars from General Motors and Ford Motor (bowing Sept. 23). The new models from both domestic and import makers will be sprinkled throughout the fall, winter and well into the spring of next year —the staggered approach to introducing cars.

All the upcoming models will be promoted as "new," but here's what's really new for 1983:

Ford has the lion's share of the new domestic products. The company said it has invested $3 billion in its '83-model program.

First of the new Fords will be the downsized Ford LTD and Mercury Marquis, which bow Oct. 14. Those cars, based on the lame-duck Granada/Cougar platform, will be sold as base family sedans alongside the upscale and larger LTD Crown Victoria and Grand Marquis. Sporty Ford Escort GT and Lynx RS models will also bow Oct. 14.

Among the option additions to Escort and Lynx will be a new fuel-injected version of the 1.6-liter engine and a five-speed transmission.

The new Mustang convertible, built by Cars & Concepts, will follow on Nov. 1. The convertible features full rear seat, power top and roll-up rear-quarter windows.

• The all-new Ford Thunderbird and Mercury Cougar are next in line, debuting on Jan. 20.

Sometime next spring—probably in April—Ford will introduce its new front-drive compacts, the Ford Tempo and Mercury Topaz, which replace

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NEWSPAPER

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Earnings up 8.7 percent from 2nd quarter last year

GM reports $560 million profit . . .

By Edward Lapham
Financial Editor

General Motors said its net income for the second quarter ended June 30 rose 8.7 percent to $560 million ($1.82 a share) from $515 million ($1.72 a share) in the same period last year. Sales in the second quarter declined 4.8 percent to $17.145 billion from $18.015 billion.

The amount of the earnings was generally larger than had been forecast by most Wall Street analysts. It was GM's highest quarterly profit in three years.

In a statement by Chairman Roger B. Smith and President F. James McDonald, the company said the results were due to "success in controlling costs and improving manufacturing efficiency, which helped offset a significant decline in passenger-car volumes."

Wall Street analysts said the company also was aided by a richer U. S. sales mix in the third period.

The better-than-expected showing in the second quarter brought net income for the first half of the year to $688 million ($2.23 a share) on sales of $31.9 billion compared with net income of $705 million ($2.35 a share) on sales of $33.7 billion in the same period last year.

The cost/efficiency improvements were reflected in the income statement. Largely due to the renegotiated contract with the UAW, the total cost of an hour worked by a U. S. hourly employe declined to $20.80 in the second quarter from $21.25 in the first quarter of 1982, for a first half total of $21.05. The comparable second-quarter figure in 1981 was $19.40.

In the April-June period, the cost of sales and other operating charges dropped to 82.4 percent of total sales from 83.5 percent in the year-ago period. However, selling, general and administrative expense rose to 4.3 percent of sales from 3.6 percent of sales.

Depreciation and amortization in the second quarter was $1.43 billion compared with $1.29 billion last year. For the first six months, depreciation and amortization was $2.53 billion compared with 2.42 billion.

• Working capital at June 30 totaled $1.33 billion compared with $1.6 billion at the end of the first quarter, $1.16 billion at Dec. 31, 1981, $1.75 billion at June 30, 1981 and $5.4 billion at June 30, 1980.

GM's current ratio (current assets to current liabilities) at the end of the period was 1.1 to 1, identical to the current ratio at June 30, 1981, although only half of what is generally considered "good" for a manufacturing concern.

Return on sales in the quarter

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Big Four Profit Roundup
Net Income (Loss) in Millions of Dollars

	2nd Quarter		Six Months	
	1982	1981	1982	1981
American Motors	($68.8)	($19.9)	($119.7)	($72.6)
Chrysler	106.9	20.7	258.6	(268.6)
Ford	204.9	60.2	(96.6)	(379.3)
General Motors	560.0	514.6	688.3	704.9
TOTAL	$803.0	$575.6	$730.6	($15.6)

E & G 'tops' the Celebrity

E & G Classics, Inc., Columbia, Md., offers this half-top "Designer Classic" vinyl roof package and spare tire holder for the 1982 Chevrolet Celebrity. The roof also fits General Motors' other front-drive A-body cars.

'Mr. Motivation' seeks way out of tax jam

By Joseph Bohn
Marketing Editor

Dennis Doyle, the "Mister Motivation" of AUTOMOTIVE NEWS classified ads, is hopeful of clearing up a large debt in back taxes with a new joint business venture.

Doyle's Showroom Traffic Builders, Inc., has run countless special sale events for dealers across the country. It specializes in private "by-invitation-only" sales to customers.

However, Doyle reportedly owes close to $250,000 in back taxes to the IRS which he's struggling to repay.

He was forced to close his Southfield (Mich.) office and has worked out of various locations, while trying to negotiate repayment of his IRS debt.

Doyle's problems with the IRS actually go back about 2½ years, according to James Cummins, revenue officer, Collections Division, Pontiac (Mich.) office.

"In some periods there was a truce, and he was paying on what he owed," said Cummins.

• Within the past few weeks, the firm with which Doyle has been negotiating a joint venture reportedly paid a small, indeterminate portion of his debt.

Doyle has not concluded his agreement with the firm, but is hopeful of doing so.

A high-ranking official with the firm confirmed that no agreement had been reached, but he said discussions were still going on.

"As far as we and Showroom Traffic Builders are concerned, there is no story right now. There might be a story later on," he said.

"Some good things are happening for Dennis right now, particularly on a new product he is marketing," added the official.

• Said Doyle, "I'm putting together two of the biggest programs I've ever put together right now."

One is a series of promotional ventures with a major regional import distributor.

Another is an even larger event, involving a considerable number of dealers, held in conjunction with another major import distributor.

And Doyle is negotiating a third deal with a major auto firm that would eclipse the first two.

AUTOMOTIVE NEWS confirmed these sale events were either going on (first distributor), planned (second distributor) or in process of being negotiated (manufacturer).

He added that he is also test-

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Total is biggest quarterly profit in three years

Ford earns $204.9 million . . .

By Edward Lapham
Financial Editor

Ford Motor Co. last week said its net income for the second quarter ended June 30 was $204.9 million ($1.70 a share) compared with net earnings of $60.2 million (50 cents a share) in the second quarter last year. Sales declined 2.9 percent to $10.93 billion from $11.26 billion last year.

It was the largest quarterly profit for Ford in three years, although it was boosted by a number of non-U. S., non-operational factors.

Included in the net income for the second quarter was a gain of $56 million from the sale of the fallow Los Angeles assembly plant.

Also, Ford switched to a new way of accounting for foreign currency exchange losses, using Financial Accounting Standards Board standard 52, which avoided $69 million being charged against net income by charging it against shareholder equity. The switch in accounting standards also involved restating the first-quarter loss, reducing it by $53 million to $302 million.

In addition. income from unconsolidated subsidiaries added $69.9 million before taxes.

In a statement by Chairman Philip Caldwell and President Donald E. Petersen, the company said the profit improvement over year-ago reflected reduced operating costs and the "non-recurrence" of the losses associated with foreign currency translations, although lower volume and higher marketing costs in the U. S. partially offset these improvements.

The two executives said that in the quarter, the company earned $23 million after taxes in the U. S., compared with $82 million last year. In Canada the company lost $8 million after taxes, compared with $28 million last year, while overseas operations generated $190 mil-

Continued on Page 46, Col. 1

But AMC suffers 9th quarterly loss in row

By Edward Lapham
Financial Editor

Several factors, including plant shutdowns and an early changeover to Alliance output, caused American Motors to report its ninth consecutive quarterly loss for the three-month period ended June 30.

AMC reported a net loss of $68.8 million ($1.24 a share) on sales of $667 million. One year earlier, the company reported a net loss of $19.9 million (35 cents a share) on sales of $722 million.

AMC Chairman W. Paul Tippet Jr. cited standard problems like the high-finance-rate-caused sales depression for the company's dismal showing but said there were extraordinary factors as well.

"During the period, automotive and Jeep production facilities were closed for up to three weeks to permit an early changeover and preparation for the launch of the new Renault Alliance," he said.

"In past years, close-downs for model changeover occurred during the third quarter. Our second quarter results also reflect extraordinary one-time costs for the Alliance launch," he said.

"In addition, recent devaluation of the Mexican peso negatively affected the performance of the company's international operations."

The net loss for the first half of 1982 was $119.7 million ($2.17 a share) on sales of $1.27 billion compared with a January-June 1981 net loss of $72.6 million ($1.27 a share) on sales of $1.43 billion.

Total worldwide vehicle wholesale sales in the April-June period were off 29.0 percent to 66,393 from 93,541 last year, leaving the six-month total down 25.5 percent at 122,-793 from 164,818 in 1981.

• In the U. S. and Canada, total vehicle wholesale sales dropped 24.6 percent in the quarter to 55,346 from 73,451. Car deliveries (including Renault) plummeted 30.4 percent to 39,075 from 56,121, while Jeep wholesale sales dipped 6.1 percent to 16,271 from 17,330.

The one bright spot was factory sales of imported Renault vehicles, which rose 71 percent

Continued on Page 8, Col. 1

Continuing delays raise doubts about project—and some relief

Nissan UK plant still up in the air

By Anne Hope
Special Correspondent

LONDON. — Nissan Motor, Japan's second largest auto producer, is still undecided about whether to go ahead and set up an $870-million plant in the United Kingdom.

The longer they dither, the more it seems that they won't start up — to the relief of General Motors, Ford, Renault, Fiat and BL, but especially BL, now planning a new range of cars with Honda, still only known as Project XX.

These cars would compete head-on with the two models Nissan wants to make in the UK, while the Nissans, with their 1.6-liter motors, would also clash with Ford's new Sierra which will debut this fall.

According to Masataka Okuma, Nissan executive vice president in charge of overseas operations, "our feasibility study continues. We haven't decided either way. There are still eight sites on our short list."

Meeting the world's media in London, he read a 276-word statement about why no decision had yet been reached, citing the recession and the uncertain state of the auto industry worldwide.

• But that does not mean that Nissan has abandoned all plans to make 200,000 cars a year in the UK. Nissan could act fast, once an upturn comes.

It has a 13-man main executive board which meets each Monday in Tokyo. All that is needed is a unanimous decision either way — and that has not been forthcoming up to now.

Okuma did say, when asked if a decision might be reached in six months, a year or longer, "I hope by next year the world economy will start to pick up and the demand for motor vehicles, too."

So a decision might be made next year? "I hope so — at the latest," he replied.

To assemble cars? "No, to manufacture cars and engines, not merely to be an assembly plant."

A suggestion that the project was being mothballed and post-

Continued on Page 46, Col. 1

Shades of the '60s—he's negotiating with Iacocca

Shelby may build high-performance cars for Chrysler

By Jim Plegue
Staff Writer

Carroll Shelby, who designed and built the legendary Cobra and Shelby Mustang sports cars for Ford Motor Co. during the '60s, may soon be building performance cars again—this time for Chrysler Corp.

Shelby and Chrysler have been negotiating for several months on a proposal that would have Shelby design and perhaps build high-performance versions of both current and future Chrysler Corp. products. The talks are nearing the decision stage.

"I think the decision will be made by the 15th of August," said Shelby, 59, who is currently involved in everything from chili and cattle to sportswear and tires through his Carroll Shelby Industries in Gardena, Calif.

Chrysler's "point man" in the negotiations is Chairman Lee Iacocca, who approached Shelby with the idea. It was Iacocca, who, while serving as general manager of Ford Division, approached Shelby with the idea of building a performance Mustang model nearly 20 years ago.

"I go back a long way with Lee Iacocca," said Shelby. "We've been talking about this for a couple years. I like to work with Lee."

Shelby, a native of Texas who was one of America's premier race drivers during the '50s, said he wants to produce "driving machines" for Chrysler. He would like the cars to bear the Shelby name.

Shelby said he was "optimistic about coming together" on the deal with Chrysler but was also candid about his stipulations.

"It all hinges on one thing—away my dealership. "I wish want," he said. "I want to build cars like I feel they should be built. I want to build cars that are driving machines that I conceive. If I have to work with stripes or mirrors, I'm not interested.

"There are things that can be done in this day and time that are exciting."

Shelby said he was impressed with Chrysler engineering.

"I feel they really have some nice things coming along engineering-wise that are ahead of the other people," he said, "especially their little four-cylinder engine (the 2.2-liter K-car engine). There's a lot of nice things that can be done with that engine."

Shelby did not want to specify which Chrysler cars are being considered for performance packaging under the proposal. The cars would be assembled by Shelby and/or the company, he said. Volume would be based on the market reception. Then, again, Shelby isn't concerned about the number of cars he would build.

"I don't care about volume," he said. "I just want to build something better than what the other guys are building."

Burger will succeed Kennard at Cadillac

Robert D. Burger, 58, will become general manager of Cadillac on Oct. 1, succeeding Edward C. Kennard, 62, who will retire after 35 years with General Motors.

GM announced the change last week, but it had been expected since last February when Burger went to Cadillac as assistant general manager.

Burger had been vice president in charge of the GM Sales and Marketing Staff. In going to Cadillac, he kept his corporate vice presidency, and observers reasoned that vice president was an awfully high ranking for an assistant general manager unless he was assistant general manager with right of succession.

So GM has made the speculation official.

Burger is a 40-year GM veteran, having joined the firm in 1942 as a General Motors Institute student with Fisher Body in Lansing.

After obtaining an industrial engineering degree, he began a 28-year association with Oldsmobile that saw him advance through sales posts in Lansing, Detroit, Cleveland, Buffalo and Atlanta before becoming assistant general sales manager in 1969.

Burger was named executive assistant to the corporate marketing vice president in 1973 and was appointed Buick general sales manager the following year.

In 1977, he was promoted to vice president in charge of the corporate Sales and Marketing Staff. He continued in that job until moving to Cadillac last February.

The latter move was part of a three-way shuffle that brought Robert C. Stempel back from Europe to head Chevrolet and sent Robert D. Lund from Chev-

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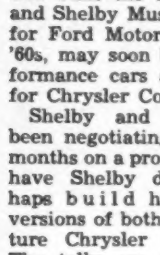
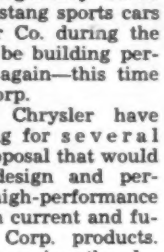


Robert D. Burger



Edward C. Kennard

Only four dozen Limiteds from Moselle

The Moselle Limited, new model manufactured by Moselle Coachworks, Canoga Park, Calif., is based-priced at $39,500. Options for the hand-built specialty car include turbocharged and diesel engines, leather interior, Recaro seats and convertible conversion. Moselle Coachworks estimates production of 50 cars per year.

Deming, the evangelist of the doctrine, stages seminar

Ford pushing statistical control

By Edward Lapham
Financial Editor

Ford Motor Co. has intensified its evangelism on behalf of the W. Edwards Deming statistical process control doctrine.

Ford sponsored a 4-day training program, conducted by Deming and his staff, for "decision makers," that is, senior officers and operating personnel, of 135 suppliers. Ford previously has sponsored one-day lecture programs for supplied executives for about 18 months.

The intensified program intends to "move the executives beyond awareness into understanding" and hopefully, involvement in the statistical control process, according to William W. Scherkenbach, director of statistical methods for Ford's Operations Support Staff.

Scherkenbach, who coordinated the program, said the response has been "very great" and Ford will continue to sponsor the expanded program.

"The Ford philosophy is that we have a responsibility to see that decision makers in supplier companies understand the commitment we're making to try to instutionalize the Deming system," he said.

"We are taking a top-down approach for our own managers as well as for suppliers, because in line with Deming's system it is necessary to get top manage-

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Congress hears lament—'Volcker, Volcker, Volcker!'

High interest killing us, dealer says

By Miles Moore
Washington Staff Writer

WASHINGTON. — A lot of automobile salesmen "will have to go on welfare unless someone does something about interest rates, and damn soon," a former Maryland Chevrolet dealer told the Interest Rate Task Force of the Senate Democratic Policy Committee.

Stanley Kaufman, former proprietor of ABC Chevrolet, Owings Mills, Md., told the task force he was forced out of his dealership last December through no fault of his own.

"I was a good operator," Kaufman said, noting he had won several awards for dealer excellence during his years in business. "But I couldn't pay 20-percent interest on an SBA loan or 22 percent on floorplan."

When Federal Reserve Board Chairman Paul Volcker and outgoing Chief Economic Advisor Murray Weidenbaum say nothing is wrong with the economy, he said, "I wish they could have been there with my wife and my brother when I signed away my dealership. "I wish they could have been there when I told my employes there would be no severance pay. I wish they could have been there when I told my creditors I couldn't repay the capital on a $200,000 loan."

The task force meeting, which had the ostensible purpose of inquiring into the effects of the Reagan Administration's tight-money policies, soon turned into an indignation meeting against the Administration in general and against Volcker and Weidenbaum in particular.

• "Businessmen are losing their cars, losing their trucks, losing their livelihoods, and they are getting no response from the Administration," said Senator Riegle, the Michigan Democrat who chairs the task force. Office of Management and Budget Director David Stockman says unemployment is part of the cure!"

Gilbert Ziegler, a Michigan businessman, said all the economy's problems could be summed up in three words: "Volcker, Volcker, Volcker!"

Kaufman, now the general manager of another Maryland dealership, joined in the condemnation, calling on the Senate to "get to these two men (Volcker and Weidenbaum) who are not allowing us to live."

Kaufman soon got half his wish: The day after the hearing, Weidenbaum resigned as the President's chief economic advisor to return to his teaching post at Washington University, St. Louis.

Mid-July sales sag to lowest since 1958

By Jenny L. King
Staff Writer

Mid-July domestic new-car sales dropped to their lowest level for the period since 1958 as buyers took summer vacations from dealer showrooms.

Sales of U. S.-built new cars tumbled 17.51 percent from their 1981 level, but were up 22.72 percent from the first July period.

July 11-20 sales totaled 132,438, down 17.51 percent from 160,544 a year earlier and lowest since 104,655 retail deliveries in 1958. Compared with the preceding period, though, sales climbed 22.72 percent, to 132,438 from 107,918.

The daily selling rate averaged 16,555 compared with 20,068 a year ago. There were eight selling days each year.

Year-to-date sales lagged 11.74 percent behind the 1981 pace through July 20: 3,175,180 compared with 3,597,393.

Chrysler Corp. was the only U. S. auto maker to report a sales gain in mid-July. Chrysler was up 4.82 percent, to 18,698 from 17,839 last year, earning it 14.12 percent of the domestic market, its second best showing this calendar year.

General Motors was down 21.46 percent, to 78,382 from 99,792 a year ago. Ford Motor Co. dropped 16.51 percent, to 30,686 from 36,753. Volkswagen of America was down 21.75 percent, to 2,472 from 3,159, and American Motors was down 26.67 percent, to an estimated

Continued on Page 8, Col. 1

DOMESTIC SALES

	July 11-20, 1981	July 11-20, 1981
AMERICAN MOTORS	2,200†	3,000†
Chrysler	4,676	1,747
Imperial	31	81
Plymouth	7,165	8,513
Dodge	6,826	7,498
CHRYSLER CORP.	18,698	17,839
Ford	21,431	26,332
Mercury	7,575	9,301
Lincoln	1,680	1,120
FORD MOTOR CO.	30,686	36,753
Buick	16,245	16,343
Cadillac	6,001	4,958
Chevrolet	26,071	43,704
Oldsmobile	18,721	19,528
Pontiac	11,344	15,260
GENERAL MTRS.	78,382	99,793
VOLKSWAGEN	2,472	3,159
INDUSTRY TOTAL	132,438	160,544

† Estimated

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57th year — No. 4926

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Volume in May down 15 pct. from last year

Import share lowest in 14 months

By Jenny L. King
Staff Writer

Registrations of new imported cars in May accounted for their leanest hunk of the total market in 14 months, according to figures compiled by R. L. Polk & Co.

New import registrations represented 26.72 percent of the market during the fifth month of this year, lowest since their 26.59-percent share in March of 1981. They were, however, part of a steady climb in numbers which began in January, 1982. Import registrations have been up each month this year compared with the preceding month.

Import registrations were 189,123 in May, down 15.41 percent from 223,589 a year ago. They represented 26.72 percent of the market, down from 30.58 percent in May, 1981.

Import registrations for the first five months of 1982 totaled 873,657, down 16.93 percent from 1,051,663. Imports accounted for 28.54 percent of the five-month total, down slightly from 28.86 percent a year earlier.

First-place import Toyota was up 1.10 percentage points in May, to 25.23 percent of the import total from 24.13 percent last year. Nissan was up 1.93 percentage points, to 20.62 percent from 18.69 percent and third-place Honda was up 0.94 percentage points, to 16.17 percent from 15.23 percent.

Mazda took fourth place and Volkswagen was fifth, as each lost ground compared with year-ago shares. Mazda was down 2.29 percentage points, to 7.12 percent from 9.41, and VW dipped 0.59 percentage points, to 6.16 percent from 6.75 percent of the import market.

Subaru was up 0.24 percentage points, Volvo was up 0.52 percentage points and Mercedes was up 0.61 percentage points.

• BMW made it into the top 10 imports in May, taking ninth place with 2.26 percent of the market. Audi was 10th, at 1.97 percent, unchanged from its year-ago share. Fiesta, no longer imported into the U. S., was bumped from the top-10 list, while other imported cars accounted for 8.28 percent of the market.

In the year-to-date column, Toyota was down 0.60 percentage points, to 23.61 percent from 24.21 percent last year. Nissan was up 1.04 percentage points and Honda was up 1.57 percentage points.

Mazda dipped 0.57 percentage points and Volkswagen was off 2.38 percentage points, while Subaru was up 0.91 percentage points, Volvo was up 0.93 percentage points and Mercedes was up 0.71 percentage points.

Japanese-built passenger cars accounted for 77.82 percent of the May import market, up from 73.78 percent a year earlier. German products dropped to 14.19 percent from 17.91 percent and Swedish cars were up to 4.40 percent from 3.59 percent. The remaining 3.59 percent (4.72 percent in 1981) came from Britain, France, Italy and Ireland.

For the first five months, Japanese cars captured 77.56 percent of the import market, up from 75.49 percent last year. Germany was the source of 14.75 percent, down from 17.44 percent, and Swedish-built products earned 4.10 percent, up from 2.96 percent. The remaining 3.59 percent (4.11 percent in 1981) were built in Britain, France, Ireland and Italy.

• Imported-car totals by country of origin in May, 1982, compared with the previous year were:

	May 1982	May, 1981
Japan	147,181	164,953
West Germany	26,845	40,040
Sweden	8,318	8,035
France	4,116	4,256
Italy	1,536	4,145
Britain	922	2,160
Ireland	205	.....

Registrations by country of origin for the first five months of 1982 and their year-ago comparisons were:

	5 mos., 1982	5 mos., 1981
Japan	677,628	793,907
West Germany	126,827	183,409
Sweden	35,833	31,161
France	19,173	19,002
Italy	7,333	15,910
Britain	3,478	8,273
Ireland	1,385	.....

Registrations of imported trucks were down in May compared with the total for the month a year ago. Truck imports numbered 33,410, down 24.87 percent from 44,469.

Truck figures for May, 1982, compared with May, 1981, were:

	May 1982	May, 1981
Toyota	11,631	10,498
Nissan	7,384	10,254
Mazda	3,542	.....
Volkswagen	2,276	.....
Chevrolet LUV	.....	7,500
Ford Courier	.....	5,579
Others	8,577	10,638

Truck imports for the first five months were down 15.86 percent, to 170,038 from 202,090 in 1981. Totals were as follows:

	5 mos., 1982	5 mos., 1981
Toyota	54,359	48,431
Nissan	37,697	45,537
Dodge Ram 50	13,937	.....
Ford Courier	13,609	.....
Chevrolet LUV	.....	32,548
Ford Courier	.....	28,698
Others	50,436	48,876

TOP CARS

U. S. registrations for the first five months of 1982. Registrations delayed for Delaware, not available for Oklahoma.

1982 Position		Make	1981 Position	
1—	506,193	Chevrolet	631,124—	1
2—	354,539	Ford	438,379—	2
3—	305,248	Oldsmobile	349,488—	3
4—	274,571	Buick	301,533—	4
5—	206,242	Toyota	254,570—	5
6—	189,338	Pontiac	220,868—	6
7—	167,097	Nissan	190,196—	7
8—	148,252	Honda	161,971—	8
9—	127,212	Mercury	144,548—10	
10—	103,365	Plymouth	148,324—	9
11—	101,844	Dodge	135,403—11	
12—	92,412	Cadillac	86,146—13	
13—	61,053	Chrysler	45,635—17	
14—	59,974	Volkswagen	97,196—12	
15—	59,625	Mazda	77,786—14	
16—	55,170	Subaru	56,802—16	
17—	38,577	AMC	62,618—15	
18—	31,600	Lincoln	26,642—18	
19—	29,067	Volvo	25,284—20	
20—	26,410	Mercedes	24,293—21	
21—	19,169	BMW	.....	
22—	18,074	Audi	.....	
	.....	Fiesta	25,584—19	
	.....	Colt	19,304—22	
	84,577	Other Imports	118,677	
	1,142	Misc.	1,032	
	3,060,751	TOTAL	3,643,403	

Automotive News analysis of new-car registrations based on R. L. Polk & Co. statistical report.

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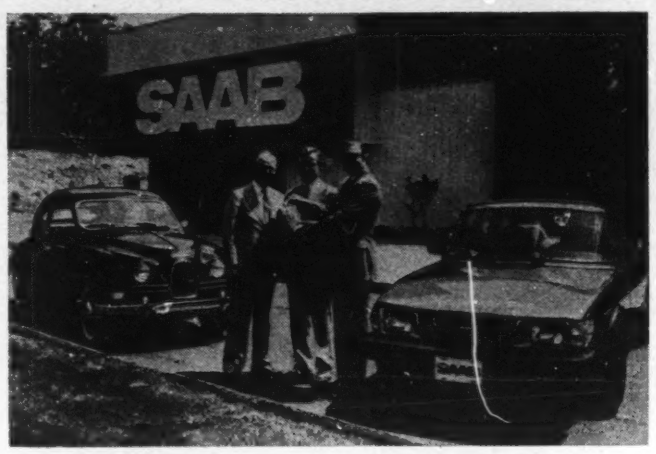
Trip for a V-12

Workers at the Jaguar factory in Coventry, England, lower a V-12 engine into place. This is the powerplant used in the XJ-S luxury sports car sold by the company in the U. S. Increased productivity at Coventry has sparked a 122-percent increase in Jaguar sales in the U. S. during the first half of 1982.



A happy Saab story

Gaston Andrey, center, Gaston Andrey of Framingham, Inc., Framingham, Mass., receives a Swedish crystal vase marking his 25th anniversary as a Saab dealer. Robert J. Sinclair, right, president of Saab-Scania of America, and Ralph T. Millet, a director who was the company's president when Andrey was appointed a dealer, make the presentation. With them is a 1957 Saab 93 sedan as well as the special anniversary edition of the Saab 900 Turbo.

Dealers bring suit to block Illinois Sunday closing law

By Nancy I. Phillips
Staff Correspondent

CHICAGO. — No sooner had the Sunday-closing law been passed by the Illinois House and Senate and signed by Gov. James R. Thompson than a group of auto dealers filed suit in Circuit Court, charging that the law is discriminatory.

Allen Gaines, president of Fireside Chrysler-Plymouth, Schaumburg, a northwest Chicago suburb, filed suit seeking that the law be declared unconstitutional because it singles out auto dealerships for Sunday closing, while other types of retail operations can continue to be open.

Joining Gaines in the suit are Celozzi-Ettleson Chevrolet, Elmhurst; Fencle-Tufo Chevrolet, Glendale Heights; Shepard Chevrolet, Lake Bluff; John Bybee Chrysler-Plymouth, Chicago, and the Illinois Used Car Dealers Assn., Springfield.

The law was sought by the Chicago Automobile Trade Assn. (CATA) and its more than 450 member dealers.

For some years the association has sought legislation to close dealerships on Sundays, since members have said that in no other way would all dealerships be closed.

According to Gilbert Gordon, one of the attorneys for Gaines and his group, a similar law was found unconstitutional by the Supreme Court of Illinois in 1962.

While Chicago-area dealers point out that similar laws are on the books and have stood the test of court battles in neighboring states, Gordon believes that the new law also will be found unconstitutional.

He hopes that the case will come up before the Jan. 1, 1983, effective date of the law.

"If it does not come up in the Chancery Division of the Circuit Court before than," said Gordon, "we will seek a temporary injunction to prevent Sunday closing."

Before Gov. Thompson signed the bill the CATA used its drawing for space in the 75th Chicago Auto Show as an occasion to plead with the press to side with the association in its desire for a means of cutting dealership overhead and giving employes a day of rest.

One observer here believes the strategy which brought about the legislation was meant to ward-off efforts of new-car salesmen to unionize. In earlier union attempts, some as recently as a year ago, one of the items of contention was long hours the salesman worked, including weekends and holidays.

Ed Mathieu, of Bauer Buick Co., Harvey, Ill., president of the CATA, asked the press to understand that salesmen, dealers and managers applaud the new law which they consider "a giant step forward."

Honda reports 33 pct. drop in quarterly profit

TOKYO. — Honda Motor Co., Ltd., said net income for its first fiscal quarter ended May 31 declined 33 percent to $70 million from $105 million in the comparable period last year.

Sales in the quarter rose 13 percent to $2.216 billion from $1.964 billion the previous year, the company said, computing the dollar at 244 yen for both periods.

The earnings decline "reflected a substancial increase in spending for research and development as well as higher inventory carrying costs and other expenses" associated with new-model introductions, the company said.

Total unit car sales rose 4 percent in the period, Honda said, to 275,000 from 265,000 last year. Domestic-market car sales rose 21 percent to 94,000 units while overseas market sales declined 3 percent to 181,000 units. Dollar sales generated by car sales rose 14 percent to $1.192 billion, or 54 percent of total revenues.

Unit sales of motorcycles declined 4 percent in the period to 869,000 from 905,000, although dollar value rose two percent to $586 million, or 27 percent of total revenues.

Unit sales of power products rose 17 percent to 275,000 units in the period.

IMPORT REGISTRATION SHARES IN U. S.

	MAY					FIVE MONTHS					
	Regis., May, 1982	Percent Share of Market	Regis., May, 1981	Percent Share of Market	Pct. Pt. Change '82 vs. '81	Regis., 5 Mos., 1982	Market Percent Share of	Regis., 5 Mos., 1981	Percent Share of Market	Pct. Pt. Change '82 vs. '81
Toyota	47,723	25.23	53,946	24.13	+ 1.10	206,242	23.61	254,570	24.21	— 0.60
Nissan	38,995	20.62	41,781	18.69	+ 1.93	167,097	19.13	190,196	18.09	+ 1.04
Honda	30,569	16.17	34,058	15.23	+ 0.94	148,252	16.97	161,971	15.40	+ 1.57
Mazda	13,467	7.12	15,097	9.41	— 2.29	59,625	6.83	77,786	7.40	— 0.57
Volkswagen	11,659	6.16	21,038	6.75	— 0.59	59,974	6.86	97,196	9.24	— 2.38
Subaru	10,440	5.52	11,799	5.28	+ 0.24	55,170	6.31	56,802	5.40	+ 0.91
Volvo	6,709	3.55	6,773	3.03	+ 0.52	29,067	3.33	25,284	2.40	+ 0.93
Mercedes	5,906	3.12	5,603	2.51	+ 0.61	26,410	3.02	24,293	2.31	+ 0.71
BMW	4,272	2.26	.....	.....	.....	19,169	2.19			
Audi	3,730	1.97	4,416	1.97	0.00	18,074	2.07			
Fiesta	.....	.....	4,248	1.90	.....			25,584	2.43	
Colt	.....	.....	.....	.....	.....			19,304	1.84	
Others	15,653	8.28	24,830	11.10	— 2.82	84,577	9.68	118,677	11.28	— 1.60
TOTAL	189,123		223,589			873,657		1,051,663		
Share of U. S. Total		26.72		30.58			28.54		28.86	

Registrations for Delaware temporarily delayed; not available for Oklahoma.